

The American Journal of ECONOMICS *and* SOCIOLOGY

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World Disarmament—A Moral View

By DONALD A. MACLEAN

CLOSELY RELATED TO THE solution of world economic problems are those of armament rivalries and the so-called "armed peace." Wars and "preparedness" are immediate major threats to a stable Christian New World Order. The promotion of the economic, social, political and cultural well-being of a nation, as well as of the world, is seriously hampered, even in peace times, by the massing of armaments deemed essential to a policy of "preparedness."

The establishment of a new order of society demands that the world undergo a thoroughgoing process of disarmament such as is required by social justice and social charity. Such disarmament must not only include military but it should embrace political, economic and moral disarmament as well. Mere military disarmament may even be a threat to the life of a nation and to world peace, unless it is grounded on political and economic, and, above all, on moral disarmament. These are essential for effective military disarmament, with which they must go hand in hand. They should, in fact, prepare the way. In reality, they are the only rational form of "preparedness" in which the world-States, as a whole, should indulge.

The solidarity of a world order is conditioned by the character of the foundation on which it rests. In his strivings for world unity man has heretofore discovered only one such basis which is both universal and dynamic, as well as responsive to the demands of human nature in its struggle towards perfection and happiness—the goal of the united endeavors of mankind. This, as noted by Pope Pius XI, is international natural law which, with its principles of social justice and social charity, alone are powerful enough to ensure well-ordered tranquility and the attainment of the common well-being of mankind.

Only the principles of Christian morality can inoculate the world against the destructive virus of economic nationalism and aggressive trade rivalries, which generate an atmosphere distinctly provocative of, and redolent with, animosities which are a menace to world peace.

Pius XI rightly terms it "a grave error to believe that true and lasting peace can rule among men and among peoples so long as they turn first and foremost and avidly in search of sensible material earthly things."¹ Christian morality alone can direct man towards the higher and more general good, in such a way that material goods will be regarded but as a means to higher things and not as the end of human endeavor.

Seeking the lion's share of world trade and primary natural resources, without proper regard for the welfare of others and the higher common good of the great human family, necessarily engenders opposition, clashes and international discord. Thereby, also, is intensified the unchristian national vices of envy and greed, resulting inevitably in a blind mammon-worship in which the virtues of Christian morality are the chief objects of sacrifice at the shrine of the Golden Calf.

¹ Christmas Message, 1930.

In a message to the First International Peace Congress, Pope Leo XIII, in pursuance of his crusade for peace, warned the world of the danger of impending disaster, stimulated by "the menacing multiplication of armies." This, he stated,

is calculated to excite rivalry and suspicions rather than to repress them. It troubles men's minds by a restless expectation of coming disasters, and meanwhile weighs down the citizens with expenses so heavy that one may doubt whether they are not even more intolerable than war itself.²

Pope Benedict XV, in the midst of the first World War, flung the arresting challenge at the leaders of the combatant nations, "Let arms be laid aside," and urged that they try the "substitution of the moral force of right for the material force of arms." Along with this he demanded that the nations of the world, as an essential condition for a permanent peace, should seek "a just agreement of all for the simultaneous and reciprocal diminution of armaments."³ The appeal, of course, has been completely ignored.

The relation between national armament rivalries and "preparedness" programs and world economic crises has been sensed all too late. Long before the outbreak of the present World War Pius XI warned the world of the economic significance of "the most vital political problem of this generation." The world did little to promote either moral or economic, much less military, disarmament. While the moral spirit of good-will was lacking, all attempts were sure to prove unavailing.

In a world message on unemployment and relief, Pius XI reaffirmed the economically-destructive character of armament programs and their contributory relation to the world crisis. Discussing the plague of unemployment, he stated:

Since the unbridled race for armaments is, on the one hand, the effect of the rivalry among nations, and, on the other, the cause of the withdrawal

² Held at Paris, 1889.

³ Message, August 1, 1917.

of enormous sums from the public wealth, and hence not the smallest of contributors to the current extraordinary crisis, we cannot refrain from renewing on this subject the wise admonition of our predecessors which thus far have not been heard.⁴

Statesmen were blinded by economic greed and materialistic hatreds to the "need of abolishing or reducing military armaments which weighed so heavily on the resources of the State,"⁵ and they failed to heed the warning.

That armaments are productive of economic crises and prevent world recovery was noted by Arthur Henderson, chairman of the World Disarmament Conference at Geneva, in his opening address. In part, Mr. Henderson stated:

The problem of disarmament is vitally related to the grave economic and financial situation for which most nations are trying to find a solution. The financial burden of armaments from past wars is indeed one of its main contributory causes. . . . It is one of the main causes of unbalanced budgets in a large number of countries.⁶

All attempts at disarmament were doomed to failure. A real will to peace, the essential spirit of moral disarmament, was lacking. Furthermore, most of the nations, as yet, had failed to recognize the fundamental unity and social solidarity of the human race. Hence they were unready to accept the moral and political implications contained therein, implications which impose on all peoples and nations individual and collective responsibility for the effective promotion of world peace, as well as of promoting the economic security and prosperity of all within the framework of an organized world society.

Nationalistic greed and rivalries continued on their rampant march. The principles of "national self-determination," "national interests," and "national sufficiency" became

⁴ Pius XI, "Nova Impendet," October 3, 1931.

⁵ Pius XI, "Re-establishment of Christmas Peace," May 23, 1920.

⁶ February 2, 1932; *The New York Times*, February 3, 1932.

everywhere more aggressively assertive. Extreme economic and political nationalistic policies challenged all attempts at solving even the major problems of the world crisis on a co-operative world wide basis. Failure of the leaders of the great world democracies, at the London World Economic Conference in 1933, to restrain their extreme political and economic nationalistic aspirations sufficiently to permit of a preliminary discussion of the world's major economic problems, spelled the doom of the world co-operation and the triumph of collective nationalistic egoism. The collapse of this world economic conference, accompanied as it was by a further intensification of an extreme nationalistic spirit, accentuated the militaristic spirit, and at the same time, provided fertile soil and atmosphere for the development of totalitarian nationalism. Communism, Fascism and Nazism surged forward on the crest of the wave of unrestrained nationalism, each striving to outdo the other in its struggle for world domination.

In his first Christmas message, following the outbreak of the present World War, Pius XII notes that the more "the war monster strives for, swallows and allots itself material means that are placed inexorably at the service of war needs, . . . the more acute becomes the danger" for nations struck by the conflict of what we might call spiritual and moral pernicious anemia. As one of the requisites for "a just and honorable peace," and that which will endure, the Pope prescribed that,

nations must be liberated from the heavy slavery of the race for armaments and from the danger that material force, instead of serving to protect rights, become the tyrannical violator of them.⁷

So vital is disarmament to the New World Order that any attempts at peace

⁷ Pius XII, December 24, 1939.

which failed to attribute fundamental importance to disarmament mutually accepted, organic and progressive, both in practice and in spirit, and failed to carry out this disarmament loyally, would sooner or later reveal their inconsistency and lack of vitality.⁸

In his latest Christmas message, the Pope states that "in the New Order founded on moral principles . . . there is no place for a total warfare or for a mad rush to armaments." Realistically, he admits that a condition for disarmament is "the elimination of the more dangerous sources of armed conflict." To prevent further world wars, which will inevitably follow unless a positive peace program which includes disarmament is undertaken in a spirit of generous co-operation, "it is essential to proceed with sincerity and honesty to a progressive limitation of armaments."⁹

The traditional Christian doctrine on disarmament finds a hopeful echo in the Atlantic Charter in which President Roosevelt and Prime Minister Churchill jointly proclaim that

"they believe that all of the nations of the world for realistic as well as spiritual reasons must come to the abandonment of force." Furthermore, in their pattern for world peace, it is stated that "they will likewise aid and encourage all other practical measures which will lighten for peace-loving peoples the crushing burden of armaments."¹⁰

Any true peace program, to be effective, should include:

I. The progressive organic disarmament of all nations.

(1) A general treaty providing for the universal abolition of conscription.¹¹

(2) An agreement whereby each state would maintain only those troops indispensable for the preservation of domestic or internal order.

(3) "Sovereigns" and Presidents of Republics should be deprived of the right of declaring war, this right to be reserved to a popular referendum, or at least to parliaments elected by the people.

⁸ *Op. cit.*, second point.

⁹ Pius XII, Christmas Message, December 24, 1941.

¹⁰ Atlantic Charter, August 4, 1941, number 8.

¹¹ Cardinal Gasparri, Letter to Archbishop of Lens, October 7, 1917.

II. Retention of such force needed for the maintenance of public order in each state, such troops to be recruited on the basis of "voluntary military service," and, as Cardinal Gasparri, Papal Secretary of State, once recommended, "to be well paid."¹²

III. Compulsory arbitration of international or world problems. "In the place of armed force should be substituted the noble and peaceful institution of arbitration according to regulations to be made."¹³

IV. Comprehensive sanctions to render decisions effective: "Penalties to be imposed upon any state which might refuse either to submit a national question to such a tribunal or to accept its decision."¹⁴

Experience has shown the futility of establishing an arbitration tribunal if states are left free, when "national interests" are involved, to flaunt its decisions. Appropriate sanctions, with the establishment of a suitable and efficient international police force, are essential to the New World Order.

A world court should be provided with a broad practical code of international principles and international law. All these must be grounded on the international natural law. Furthermore, in such legal codes, provision should be made for a system of appropriate sanctions which would ensure the observance of the court awards. These naturally should be general in scope, the particular determination of appropriate sanctions being left to the court.

According to the former Papal Secretary of State, this international court should also be invested with the effective power of "boycotting morally, economically, industrially and financially all countries manifesting a militaristic spirit."¹⁵ Diplomatic and military sanctions or the threat of their application should be reserved for extreme cases, and like the international police force, should be used only as a last resort.

¹² Touchet, "La Paix pontificale," p. 42. Even "limited conscription is tabooed by him."

¹³ Benedict XV, August 1, 1917.

¹⁴ *Op. cit.*

¹⁵ Cardinal Gasparri in "La Paix pontificale," *op. cit.*, p. 43.

Decision to use the international militia should depend on the joint agreement of the World League and the World Court. In the international community there is no place for war other than a war of all against a recalcitrant aggressor.

Compulsory arbitration or resort to the World Court, coupled with a system of effective sanctions enforced by the action of an international police force, are essential elements of the New World Order. The adoption of Pope Benedict's recommendations would have been an advance towards the specific solution of world strife. Rationally and impartially applied, the world might well have been spared the financial as well as the human costs, the "blood, tears, and toil," involved in the present World War.

Catholic University of America

Glastonbury in Legend and History

By FRANCIS NEILSON

A FINE BOOK is waiting to be made. It is a wonder the work has not been taken in hand. The history, the stories, and the legends of the English church are extant and ready to be put into one volume and given to the world. Who will perform this delightful task? It is true many books on the abbeys of England are to be seen on the shelves of libraries, but I know of no one volume in which a reader may find the story treated as a whole, in the way a skillful historian would unfold the rise of a people to greatness. One who will set his hand to a job of this nature will not be harassed with the usual difficulties of research, of laboring over ancient documents written in Saxon or in Latin. All this has been done, and much of it can be found readily in the handbooks to be picked up in the naves of the cathedrals or in the bookseller's shop usually placed in an ancient street flanked by Tudor buildings. Such places are familiar to the eyes of visitors to England, and in these nooks of knowledge, many times during my life, heirs of English stock from distant lands have entered into conversation with me and asked questions about the history of the town and its monuments.

Some years ago I selected from my collection of handbooks fully a dozen which record in brief the history of the foundations, and I marvelled, when I thought of what a jewel of material lay there to be shaped into a glorious book. The time, however, was not ripe for such a work, for the mind of the public was engaged with a war; and I put the matter away. Now in the midst of another war I find a surprising change in the attitude of the public, which may denote a desire to seek some refuge from the strife of the nations. Perhaps the time has come when such a work as I have adum-

brated above will prove to be the very talisman the people are seeking, and from which they might learn that, if the future holds out no great hope of security, the hallowed past may provide a place of shelter for their harried minds.

I

OF THE MANY VOLUMES written on the monasteries, abbeys, and cathedrals of Great Britain there is none so engrossing as Dr. James's "Abbeys."¹ This work, undertaken by a great scholar,² is unique. There is an introduction on "Monastic Life and Buildings" by Dr. Thompson.³ It would be hard to discover two men more richly qualified to treat this great subject than they.⁴

It is amazing to note how much care and study have been given by the British authorities to the tasks of restoration of these precious monuments. They have called in the greatest scholars of the time to give their knowledge to the work and, collaborating with them, we find the names of many well-known architects.

This is a form of history long slighted by the recorders of dynasties, and the pity of it is that it has been neglected by the schools. For three long, weary centuries the British people were deprived of reasonable knowledge of the glories of their tradition. When I was a boy, I lived in an area that contained the foundations of a Roman city and the ruins of eight abbeys.⁵ So near were they to the cottage in which I lived that I could have walked any day to one and have returned without weariness.

¹ London, 1926.

² M. R. James, Litt.D., F.S.A., F.B.A., Provost of Eton.

³ A. Hamilton Thompson, M.A., D.Litt., F.S.A., Professor of Mediaeval History in the University of Leeds.

⁴ The work was produced for the Great Western Railway Company, and, in the first two years of its publication, 40,000 copies were issued. Surely this denotes a surprisingly large audience thirsting for knowledge of the past. Dr. James gives us—alas, in too brief space—the history of seventy-eight abbeys, and the book is beautifully illustrated. Indeed, the art of the printer is noticed on every page; the production is a finished work deserving a place in every library worthy of the name.

⁵ Shropshire.

In my early years I saw the ruins overgrown with weeds, brambles, and shrubs; in the nave, or perhaps the choir, a stalwart tree had sprung up; the disorder was a byword; neglect and decay had fallen upon the abominable work of Thomas Cromwell. But now, in my manhood, I have returned to the scenes of my childhood and witnessed the glorious transformations that have been wrought by the men who have spurred the British Government to aid them in their endeavors to uncover some of the finest monuments expressing the greatness of the English people. I remember Rievaulx⁶ when it was impossible to distinguish anything but the higher parts of the building. When I visited this spot some ten years ago, all the disarray of nature had been cleared away and there were revealed those columns and arches whose grace, so perfect, filled me with joy. In rapt astonishment I looked upon what was left of that abbey and easily imagined the beauty and the majesty that had been there before the sixteenth century.

It might be asked, if there are such books as those referred to above dealing with the work of reconstruction, why do I call for another? Let me explain this desire of mine. Such works as "Abbeys" by Dr. James and "The English Abbey" by Mr. Crossley⁷ are devoted mainly to the history, the architecture, the orders, and the customs of the monasteries. It is true, reference is made to the legends that have been associated with the foundations, their abbots, and the benefactors of the institutions. These works are invaluable as instructions for enlightening the mind of the modern student. But there is far more to an abbey than the acceptable historical account of its being, for deep in the mind of the builders of the monasteries there was something which governed—nay, stimulated—the artist's soul and prompted him to render in

⁶ Founded in 1131.

⁷ F. H. Crossley, F.S.A., published by B. T. Batsford, Ltd., London, 1935.

stone, in clay, in wood, in metal, the triumphs of art which made the building in truth "the Bible of the poor."⁸

II

IT WAS LEGEND, as we see it pictured at York, at Lincoln, at Durham, at Ely, that touched the deep wells of imagination in the souls of the medieval artists and urged them to produce the wonders of the Gothic. I believe it is no more possible to dissociate the legend from the history of the abbey than it is to rid the building of the artistic creations of the mason's mind. Therefore, legend, so it seems to me, must be brought back to our sense of the fitness of things if we are to understand why the marvels of the Gothic came to be.

How different it is when one turns to some of the work that has been produced in recent years by French students! I have already dealt in my essays with the monumental work of Émile Mâle.⁹ That, however, is somewhat recondite and appeals only to a mind versed in the history of medieval art. I am seeking for the monuments of Britain a work that will incorporate all the historical elements which the cathedral represented. Take such a work as M. Francis Gourvil's *En Bretagne*,¹⁰ or one devoted entirely to legends, such as O. L. Aubert's *Légendes traditionnelles de la Bretagne*.¹¹ In these works the legend assumes an importance which British authors, unfortunately, seem to have overlooked. How they have failed to grasp the significance of the legends that grew up about the monasteries and those marvelous productions which represent some of the finest stories of the Bible and the Apocrypha is something I have never been able to under-

⁸ Émile Mâle, membre de l'Institut, directeur de l'École française de Rome.

⁹ Cf. Francis Neilson, "Émile Mâle and the Spirit of Medieval Culture," *AM. JOUR. ECON. SOCIO.*, October, 1942, p. 15; the chief works of Mâle are: *L'art religieux de la fin du Moyen Âge en France*, deuxième édition, Paris, 1922; *L'art religieux du XIIe Siècle en France*, deuxième édition, Paris, 1924; *L'art religieux du XIIIe Siècle en France*, cinquième édition, Paris, 1923.

¹⁰ B. Arthaud, Grenoble, 1929.

¹¹ Saint-Brieuc, 1928.

stand. And not until Émile Mâle's work was published had I any clue to the matter. Then, when I learned that the key to the iconography of religious art had been lost after Trent, a light shone in on me which made things clear. Even now, after nearly four centuries of religious turmoil and national strife, men have not been wholly bereft, through these vicissitudes, of their insatiable desire for the mysterious and the miraculous.

Art has ever been the faithful servant of legend. What would literature and art be without mystery and miracle? It is the sense of mystery in the soul of man which begets miracle and, because of his desire to rise above himself and the frailties of his flesh, his creative imagination sets to work to idealize a personage superior to all he sees around him. Reverence and adoration fire his zeal and delight his soul. Whether or not this be a reasonable view to take of the matter, it should be clear that there was always present, when the church was one and the communicants in and near it every day, the figure of God's greatest miracle, Jesus, in Whom the suppliant found solace for his griefs and the prospects of joy hereafter. Again, I say the cathedrals cannot be understood merely from descriptions of their architecture and scholarly recordings of their history. The dominant motif is essential because the inspiration that produced them came from this central figure and it was to perpetuate the memory of the crucified Son that they became things of beauty, monuments to the glory of God.

No one can have the slightest idea how far we have departed from the motives that actuated the medieval man of religion unless he be acquainted with such studies as that of Émile Mâle, which shows clearly the utter falseness of so many of the works that were written on the monasteries by the quasi-rationalist authors of the eighteenth and nineteenth centuries. Now that the key to the iconography of medieval

religious art has been rediscovered, there seems to be no reason why the precise scholars who are such sticklers for facts should hesitate longer about the significance of the legends and not restore them to their rightful place in the history of the abbeys.

III

LET US TAKE one of many of the handbooks of an abbey church, that of Glastonbury. It is an appropriate time for looking back at its history because this year we celebrate the millenary of one of its most famous abbots, Dunstan. Here it is well-nigh impossible to ignore the legends, for they have become an essential part of some of our greatest works in literature. Indeed, the story of Glastonbury is the central one of early English history. It touches every activity of life and in it there is shown how, through a period of 1500 years, all that was best in the English character was shaped, and how the work of christianizing Saxon pagans was accomplished. There is no story like it.

Frederick Bligh Bond in his "An Architectural Handbook of Glastonbury Abbey with a Historical Chronicle of the Building"¹² begins with the founding of the little church of wattle by Joseph of Arimathea,¹³ and he relates that "all through the period of Celtic dominance this humble structure was scrupulously preserved." Let scholars and scientists object and protest as much as they will, they cannot succeed in thrusting that little wattle church out of its place where, according to the story, it stood for over a thousand years and was revered and venerated through all the storm and travail that attended the Saxon transformations. Only a great fire in 1184 swept it completely away.

It is strange how the critics of these legends have approached

¹² Bond was the Director of Excavations at Glastonbury Abbey on behalf of the Somerset Archaeological Society; also Hon. Architect to the Bath and Wells Diocesan Societies. This handbook was published at Glastonbury, *Central Somerset Gazette*, 1920.

¹³ *Circa* 63 A.D.

the one of the foundation of the wattle church. Some of them lean to the story told by William of Malmesbury, the chronicler of the twelfth century, who was employed to collect evidence and write the history of Glastonbury. Others repudiate William's account of it, root and branch. The author of the article on Glastonbury in *The Encyclopedia Britannica*¹⁴ gives us a straightforward account without lending any bias towards what is regarded as legend. What is accepted as the earliest piece of real history is the grant of Gwrgan, the King of Damnonia (Devon), in 601 A.D. This grant was the land of Ynyswitrin to the "old church" in the time of the Abbot Worgret. This occurred about the period when St. Augustine was in England.

What recollections this name Ynyswitrin brings to mind! Some of the historians of ancient England place faith in the record set out by William of Malmesbury. Professor Freeman¹⁵ is one who gives "sound reasons for believing that the document, which Malmesbury copied, was a genuine one." This gift of Gwrgan made the area of it a monastic island, and that island was Avalon. What would English literature be if it were stripped of the Arthurian legends? Nay, let me go further and ask: What would the legends of Brittany suffer if this were done? At the close of one of the most beautiful of the legends of Brittany which have been preserved (incorporated in M. Aubert's book) I find the following:

Et c'est ainsi que, depuis quinze siècles, Arthur se repose dans l'île d'Aval, en attendant que sonne l'heure où la Bretagne, ayant besoin de lui, le rappellera à la lumière.¹⁶

Those of us who had the benefit of a liberal education must remember the stories told in the home circle about Arthur,

¹⁴ The article is unsigned, 13th ed., V. XII, p. 113.

¹⁵ Edward A. Freeman, Late Fellow of Trinity College, Oxford, writing about 1890.

¹⁶ *Op. cit.*, p. 128.

for it was at that time that Tennyson published "The Idylls of the King."¹⁷ The very names of the personages in the Arthurian story were household words. What schoolboy of that day would not thrill at the word Excalibur! Legend was so woven into the texture of English thought that it is depressing now to think how in the last two generations instructors have departed from the English tradition of learning.

The next interesting period concerning the wattle church is dated 725, when, in the Charter of Ine, King of the West Saxons, we read of it having been signed in the "Lignea Basilica." Mr. Bond tells us that this charter "was framed to exempt the church of Glastonbury and its belongings from all outside jurisdiction. . . ." Then, for something like four hundred years, the monks of Glastonbury and the bishops of the diocese disputed the validity of this document which is now regarded by some of the authorities as a spurious composition. Three hundred years later a Charter of King Cnut¹⁸ was signed within its walls.

IV

MYTH IS SO OFTEN only a simple fact hidden by the romance of the creative imagination that the suspicious investigator stops short of the source. Incredulity is the enemy of the searcher after truth, and many recent discoveries by the geologist, by the archaeologist, and other diggers into the past have revealed stores of knowledge far beyond the ken of the skeptics of the nineteenth century. One instance will serve to point this fact, notably the explorations of Professor Garstang at Jericho¹⁹ and later at Mersin²⁰ where finds of the sixth millennium B.C. were uncovered.

¹⁷ In 1859 the first of this series was issued, but the final sections did not appear until 1885.

¹⁸ 1032.

¹⁹ Cf. John Garstang, "The Foundations of Bible History," New York, 1931, and "The Story of Jericho" (with J. B. E. Garstang), London, 1940.

²⁰ Cf. John Garstang, "Explorations in Cilicia, Excavations at Mersin: 1937-38," *Annals of Archaeology and Anthropology*, Vol. XXV, Nos. 3-4, pp. 71-110.

But for our purpose, concerned with the founding of the wattle church, we now have the work of investigation by J. Charles Wall, "The First Christians of Britain."²¹ In his book we read: "It was only ten years after the Crucifixion that the Emperor, Claudius, sent his general Aulus Plautius to conquer Britain."²² Wall, moreover, reminds us that trade between Britain and the Mediterranean was carried on long before the days of Julius Caesar. Then he writes:

The Emperor Claudius shortly followed his general to the shores of Britain to direct the military operations, and among other native chieftains who submitted to him was Arviragus, King of the Dobuni, a tribe occupying the country on the east side of the River Severn. This king who is associated with Joseph of Arimathea, was left to rule over his people as tributary to the Empire.²³

Although I suppose the correct attitude for a student is to follow the footsteps of the skilled investigator, I must admit that, when I do so, I do not jettison the myths and legends that he spurns. I do not find it at all difficult to go along with the scientists and, at the same time, cling to the wondrous stories men have told of their heroes. And with this regard I love to turn back to some of the histories that have met with severe criticism because of the amount of space that has been given to unfounded narrative. I treasure Sharon Turner's "The History of the Anglo-Saxons,"²⁴ for he had the unique quality of sifting a myth without completely demolishing it. I find in him the courage to accept what seems plausible and also a sense of how the myth arose.

Myth has always seemed to me to be the rolling stone that does gather moss; as it passes from tongue to tongue, generation after generation, it receives a new garb because it has passed through more mature imaginations. Thus, after a

²¹ Wall is a Fellow of the Royal Historical Society. This book was published by Talbot and Company, London.

²² *Ibid.*, p. 11.

²³ *Ibid.*

²⁴ Two volumes, Carey and Hart, Philadelphia, 1841.

few centuries of telling the story, from a simple person there emerges a grand figure arrayed in gorgeous robes, and from some unusual event there is dramatized a tragedy, or a comedy, of such dimensions that the action which gave it life is lost in the accretions the telling has added to it.

Over a period of many years I read everything I could find on the Arthurian legends and when, in Turner's book, I came across the description of Henry II's action after he learned that Arthur was interred at Glastonbury, I felt that I had met an historian who might be safely trusted to find whatever value there was in the subject with which he was dealing. Turner says:

. . . The king communicated this to the abbot and monks of the monastery, with the additional information, that the body had been buried very deep to keep it from the Saxons; and that it would be found not in a stone tomb, but in a hollowed oak. There were two pyramids or pillars at that time standing in the cemetery of the abbey. They dug between these till they came to a leaden cross lying under a stone, which had this inscription, and which Giraldus says he saw and handled—"Hic jacet sepultus inclitus Rex Arthurus in insula Avallonia." Below this, at the depth of sixteen feet from the surface, a coffin of hollow oak was found containing bones of an unusual size. The leg-bone was three fingers (probably in their breadth) longer than that of the tallest man then present. This man was pointed out to Giraldus. The skull was large, and showed the marks of ten wounds. Nine of these had concreted into the bony mass, but one had a cleft in it, and the opening still remained; apparently the mortal blow.

Giraldus says, in another place, that the bones of one of Arthur's wives were found there with his, but distinct, at the lower end. Her yellow hair lay apparently perfect in substance and colour, but on a monk's eagerly grasping and raising it up, it fell to dust.

The bones were removed into the great church at Glastonbury, and deposited in a magnificent shrine, which was afterwards placed, in obedience to the order of Edward I., before the high altar. He visited Glastonbury with his queen, 1276, and had the shrine of Arthur opened to contemplate his remains. They were both so interested by the sight, that the king folded the bones of Arthur in a rich shroud, and the queen those of his wife; and replaced them reverentially in their tomb.

The circumstances of Arthur's funeral could be known only from Welsh traditions. Giraldus has left us one of these: "Morgan, a noble lady, proprietor of this district and patroness of the Abbey, and related to Arthur, had the king carried, after the battle of Camlan, to the island called Glastonbury to heal his wounds." The same facts are alluded to by Jeffry, in his elegant poem, which entitles him to more literary respect than his history, and which contains more of real British traditions.

The pyramids or obelisks that are stated to have marked the place of Arthur's interment, long remained at Glastonbury. They had images and inscriptions, which have not yet been understood, but which do not seem to relate to Arthur. A sword, fancied to have been his caliburno, was presented by Richard the First, as a valuable gift, to the King of Sicily.²⁵

There are increasing indications today that the scholars are not satisfied to accept the attitude that was taken by most of the writers of the nineteenth century. The eminent orientalist of Johns Hopkins University, William Foxwell Albright, in his book, "From the Stone Age to Christianity,"²⁶ remarks:

. . . thanks to the new control of tradition which archaeology affords in the hands of men like Collingwood, Wheeler, and Crawford, the substantial historicity of the Arthurian cycle is becoming more and more evident, however much poetic fancy may have refracted and embellished the facts.²⁷

Further, he writes:

. . . Recent volumes of *Antiquity* bear eloquent testimony to the increasing seriousness with which literary tradition is being regarded in England, in spite of the obviously imaginative character of most of the Arthurian legends.²⁸

V

IT IS A LONG STEP to take from Arthur to Dunstan long indeed, for it means passing from the realm of myth to reality. The Abbot of Glastonbury in the records is a very real personage, and his character has been examined so closely that the

²⁵ *Ibid.*, Vol. I, pp. 201-2.

²⁶ The Johns Hopkins Press, Baltimore, second printing, 1941.

²⁷ *Ibid.*, p. 42. Cf. also Collingwood and Myres, "Roman Britain and the English Settlements," Oxford, 1936, Ch. XIX, especially pp. 320-4.

²⁸ Cf. Albright, *op. cit.*, p. 316, n. 50.

historians are divided in opinion of his true worth. Perhaps he is the most amazing Englishman of all time. The influence that he wielded over court and church was so great that it is felt at times even to this day, notably in the coronation service of an English king.

Dunstan was born at Glastonbury in 925 not far from the old wattle church. William of Malmesbury seems to have derived the name from *dun*, a hill, and *stan*, stone. James Ingram, however, says: "It is a contraction, perhaps, from *thungenestan*, *thun'stan*, Dunstan; signifying *most noble*."²⁹ When a child he had visions of his future greatness and dreamed he was to build a superb monastery. He was encouraged to study and so easily did he master his tasks that he advanced far more quickly than his companions. He suffered serious ailments when a boy and in delirium ran away into the hills, imagining that wild dogs were chasing him. After a time he entered the monastery at Glastonbury and, under Irish monks, he set to work to store his mind. Extraordinary stories are told of his precocity and versatility. He was so far advanced in knowledge that the ignorant accused him of demoniacal arts. Later the king was influenced against him, and Dunstan was driven from court.

Then he developed an unfortunate attachment for a maiden whom he wished to marry. The bishop dissuaded him, however, and conjured him to become a monk. There is no doubt that his illnesses and the frustration of his intention to marry had a serious effect upon his mind but, although he seemed to outgrow these weaknesses and live a life of extraordinary activity, there remained in him certain traits which affected his character. The story of his rise to power, of how he became Abbot of Glastonbury and, afterwards, Archbishop of Canterbury, is told in all the history books on the Anglo-Saxons.

²⁹ Cf. *The Anglo-Saxon Chronicle*, trans. by The Rev. James Ingram, J. M. Dent and Sons, London, Toronto and New York, 1934.

There are legends enough associated with the history of Glastonbury, from the first days of the wattle church to the passing of Dunstan, to provide material for a full book as interesting as that I referred to above—"The Legends of Brittany." When we reach the period of more precise recording, the legends are forgotten and scarcely ever mentioned in the documents. But we have not then reached a period of less interest, for the story of the building of the cathedral is wonderful in itself, and it is fully recorded by Mr. Bond in a chronology taken from the documents.

It was not until about the middle of the fourteenth century that most of the abbey was completed. What a thing of beauty it must have been—the work of centuries of thought and labor; one of the architectural glories of England! It was of immense size; indeed, the older antiquaries give the internal total length of the abbey church as 580 feet. Only one edifice in England is recorded as larger than Glastonbury—old St. Paul's, which according to Dugdale was 690 feet in total length. But the measurement of it is now shown to have been a mistake. It should have been 100 feet less. The visitor to Glastonbury, unless he be a skilled architect, can form from the remains no idea of the beauty that once was there. Standing in the space of what was the choir and looking towards the nave through what is left of that gigantic arch one can imagine the immensity and majesty of it all. And St. Mary's Chapel, or what is standing of it, reveals a sense of beauty that is really touching, it is so exquisite in its graceful adornment and well-balanced proportions.

And then this work of the soul and mind of man, all the strange stories of the beginning of the little wattle church, the grants of land given to the abbey, the association of Arthur, the incumbency of Dunstan, nay all the labors of the abbots to make Glastonbury a thing of perfection, raised to the glory of God, were wiped out in a few weeks to provide

money for a royal purse and lands for ducal houses! There is no myth or legend about the destruction of the abbey. The methods by which it was demolished can be read from the documents, and there is no better short account than that to be found in Brooks Adams' "The Law of Civilization and Decay."³⁰ The Abbot, Richard Whyting, though he signed the deed which proclaimed Henry VIII supreme head of the church, became a victim of the royal greed because he refused to surrender his monastery and yield up its accumulated treasure. There was a man who had the courage to resist tyranny and injustice and who suffered the cruelest death for the love of his abbey and the defense of her liberties. He was dragged on a hurdle to Tor Hill nearby and there executed. The recorder says:

He would confess no more gold nor silver, nor any other thing more than he did before your Lordship in the Tower. . . . And thereupon took his death very patiently, and his head and body bestowed in like manner as I certified your lordship in my last letter.³¹

Further we learn:

One quarter standeth at Wells, another at Bath, and at Ilchester and Bridgewater the rest. And his head upon the abbey gate at Glaston.

Thus ended the glory of the abbey church at Glastonbury! The edifice was destroyed, broken up, and the land sold. The writer of the article in *The Encyclopedia Britannica* says:

A darker passage does not occur in the annals of the English Reformation than this murder of an able and high-spirited man, whose worst offense was that he defended as best he could from the hand of the spoiler the property in his charge.³²

Since that day the world has been afflicted with sore troubles, and I cannot but think that there must have been a subtle

³⁰ Alfred A. Knopf, New York, new edition, 1943.

³¹ *Ibid.*, p. 242.

³² *Loc. cit.*

link running from myth to reality, a something that bound men to a discipline that ordered their lives much better than the theory and practice in vogue this day. We look in vain for the things of beauty our heirs will honor as the work of our hands. There is nothing we see that will remind them, as do the ruins of the abbeys, of the greatness that is past. And perhaps it is because we are beginning to feel the lack of some binding quality in our lives, a re-linking with tradition, that we yearn occasionally for glimpses into the long ago, hoping we shall find a magnet there that will draw us out of the present strife and unite us all in the work of reaffirming and re-establishing the great tradition of Christian Europe.

Chicago

Post-War Homes on the Land

TO SAY THAT farm boys and girls now in the services or war production must be kept from returning to their farm homes in the reconstruction period is unjust both to them and society. If they want to establish a home on the land, society should not force them, directly or indirectly, to urban existence or industrial work.

The farms should not be used as a dumping ground during a period of economic stress, but American intelligence and ingenuity must be put to work in order that living on the land be both desirable and profitable.

Agricultural economists, like Dr. T. W. Schultz of the University of Chicago, who advise a cityward migration, lack vision and imagination, and prefer misery in the city to fundamental security and independence in the countryside. Such economists still repeat the old worn-out phrase of over-production when hunger stalks the world and malnutrition reigns in the United States. Dr. Schultz would have us believe that present-day material technology and materialistic economics should be enthroned regardless of social consequences.

We advocate that a greater number of families live on the land on a part-time or full-time basis. We believe that the rural population of the United States could be quadrupled and at the same time its standards of living increased a thousand-fold and yet use modern technology to the nth degree.

To accomplish that we need social vision—scientific progressiveness, and not the narrow and reactionary conservatism of many agricultural economists.

The post-war problems of the cities and of industries will be more serious than the problems of the countryside. Why advocate dumping rural youth into the cities? Do the cities want them? Are the cities ready to use them? Do we want a totalitarian state to take over and make jobs? Which will enhance human personality or contribute to the development of the families? Unemployment and wage proletarianism in the cities or a rather simple but independent life in the country?

If our American democracy is to continue, we must have more small businesses, small factories, small towns, small farms, small schools, and small churches. They are the warp and woof of a democracy; they are the backbone of Christianity; they are the brick and mortar of a progressive civilization; they are the cornerstones of a peaceful world.

Des Moines, Ia.

L. G. LIGUTTI

The Future of Foreign Trade Controls

By ALBERT T. LAUTERBACH

LONG BEFORE THE WAR there was an increasing contradiction between the preference of the leading economic theorists for free trade and the restrictive trade practices of the governments. In the last resort this contradiction reflected the lag of industrial development in certain regions, the survival of sovereign States in a world of growing interdependence of nations, and the failure of many social scientists to grasp the range and depth of cyclical and structural disturbances in our period.

World War II has led to tight control of trade in the United States and most other countries, which far exceeds in scope the highest trade barriers that had developed during the interwar period. At the same time, the concrete purpose of such restriction has changed. Its wartime aim is to secure a steady flow of supplies to the production lines of the Allies and from there to the warring fronts, rather than to foster employment and profit in the domestic economy.

Can an early return to free trade and a prompt abolition of trade controls after the war be expected? Even if all restriction were war-born, which obviously is not the case, no immediate and drastic reversal of policy could be expected. The fact that trade barriers are deeply rooted in the American economic policy of the last few decades further reduces the prospects of free trade during the early post-war period.

The Changing Pattern of American Trade

FOR A LONG TIME there has been a marked discrepancy between the limited rôle of many foreign areas as suppliers of the American economy and the great significance of United States trade for these areas. The relative importance of this country for the world sales of such goods as silk, cottonseed oil, bananas and coffee was tremendous, but the amount of American purchases abroad was insignificant compared with the total of domestic production. The ratio of foreign trade to total production has for decades been much lower in this country than in other industrialized nations. During 1937-39 the ratio of exports to total production was 6.9 per cent in the United States as against 20.1 in Great Britain, 38.5 in Canada, 19.1 in Japan, 36 in Belgium and 10.4 in France.¹

¹ For a fuller discussion of the "weight" of the United States in the world economy see: U. S. Tariff Commission, "The European War and United States Imports," Washington, 1939, p. viii; League of Nations, "The Network of World Trade," Geneva, 1942, pp. 7 ff., 33, 52; *Foreign Commerce Yearbook*, 1939, Washington, 1942, pp. 313, 317; U. S. Department of Commerce, "The United States in the World Economy," Washington, 1943, pp. 27 ff.

Any slump in the American economy was bound to have far-reaching effects upon the sales of other nations. On the other hand, business fluctuations abroad did not affect directly the American economy to any comparable extent. It is true that certain specific lines of production, such as cotton and tobacco, were more sensitive toward the fluctuations of foreign markets. However, the total share of agriculture in United States exports has historically declined.

If the world account of commercial relations between the United States and the other nations were balanced, then the difference in the relative importance of these relations (and of foreign trade in general) to the partners concerned would not matter very much. However, the "chronic world shortage of dollars"² has for years disturbed international trade relations, and has contributed to the dwindling of the traditional faith in the eventual establishment of durable peace through uninhibited trade.³ Of course, all of the blame for the growth of international tensions should not be put on trade factors alone. The new emphasis on State sovereignty and its translation into a trend toward autarchy had deeper social roots than mere pressure of vested commercial interests.⁴

The perennial discrepancy between the recommendations of both the economists and international conferences, and the national tariff policies, has been accentuated by the impact of depression and insecurity. The authors of a League of Nations publication rightly criticized "the belief that tariff policy could be separated from economic policy as a whole," and pointed out that the real root of American protectionism has been "the existence of a deep suspicion of import trade as an element of disturbance and depression."⁵ Other writers exploded the idea that the high standard of living in this country was due to tariff protection, rather than to great resources and productivity. In practice, however, fear of "social dumping" led to the semi-conscious attempt to equalize any differential of production costs and virtually to disregard the principle of comparative advantages.⁶

² C. P. Kindleberger, in "Postwar Economic Problems," ed. Seymour E. Harris, New York, 1943, p. 379.

³ A. T. Lauterbach, "Economics in Uniform: Military Economy and Social Structure," Princeton, 1943, Chapter VII; Herbert Feis, "The Changing Pattern of International Economic Relations," New York, 1940, *passim*.

⁴ See J. B. Condliffe, "The Reconstruction of World Trade," New York, 1940, pp. 362 ff.; League of Nations, "Commercial Policy in the Interwar Period: International Proposals and National Policies," Geneva, 1942, Part III.

⁵ *Op. cit.*, pp. 126, 152. See also "Trade and Employment," *The Economist*, London, Jan. 15, 1944; J. B. Condliffe, "Markets and the Problem of Peaceful Change," Paris, 1938, Chapter V, and "The International Economic Outlook," New York, 1944.

⁶ Gottfried Haberler, "Theory of International Trade," New York, 1937, pp. 251 ff.; Eugene Staley, "World Economy in Transition," New York, 1939, p. 258.

It is against this general background that the development of American trade policy between the two World Wars has to be seen. After 1918 the War Trade Board was hastily dissolved⁷ and its controls were replaced by long-range tariff policy. Today it seems that the opposite procedure might have been better: to continue transitional controls as long as advisable, and meanwhile to prepare a long-range policy of uninhibited exchange of goods among nations. The domestic prosperity of the Twenties did not bring an equivalent rise of American foreign trade, for business conditions and price levels abroad remained uncertain. The disastrous impact of the great depression upon American trade⁸ at first further strengthened protectionism in this country. In a longer run, however, it helped undermine the protectionist beliefs, and after 1934 the Hull program of reciprocal trade agreements got under way. It seems that the hopes put in it initially were too high, and that it has practically helped American export to a greater extent than American import, thereby unwittingly accentuating the problem of dollar supply for other nations.⁹ However, this program brought a great step forward by indicating the general willingness of this country to participate in international economic co-operation, even though more powerful factors had meanwhile frustrated the effort to establish freer trade relations in the world. In particular, the growing importance of economic preparedness for military warfare had resulted in tendencies toward self-sufficiency or autarchy.¹⁰ In addition, the interwar period had shown that there was little prospect for a lasting increase in world trade as long as the danger of cyclical disturbances continued to worry both industry and agriculture.

After the outbreak of World War II, trade controls in the United States became inevitable as early as in July, 1940. On top of pre-emptive purchases, accumulation of essential stockpiles, freezing of foreign funds, blacklisting of Axis agents, trade licenses and shipping priorities, the lend-lease policy brought an entirely new principle into foreign trade by making shipments to foreign countries increasingly independent from the dollar supply available there.

⁷ *Report of the War Trade Board*, Washington, 1920, Part IV.

⁸ *Statistical Yearbook of the League of Nations*, 1940-41, p. 167.

⁹ Alexander Stevenson, "The Reciprocal Trade Agreement Program," *International Conciliation*, No. 390, May, 1943; H. J. Tasca, "The Reciprocal Trade Policy of the United States: A Study in Trade Philosophy," Philadelphia, 1938; J. D. Larkin, "Trade Agreements: A Study in Democratic Methods," New York, 1940; H. O. Davis, "America's Trade Equality Policy," Washington, 1942; Grace Beckett, "The Reciprocal Trade Agreements Program," New York, 1941; Jacob Viner, "Trade Relations Between Free-Market and Controlled Economies," Geneva, League of Nations, 1943.

¹⁰ William E. Rappard, "Post-War Efforts for Freer Trade," Geneva, 1938; Wilhelm Röpke, "International Economic Disintegration," London, 1942; William Diebold, Jr., "New Directions in Our Trade Policy," New York, 1941, Chapter V.

The rise of foreign trade controls in this country did not occur as a result of an exchange problem, as elsewhere. It was the need for an active foreign policy and the prevention of critical shortages at home which were at the root of American trade control and economic warfare; this difference should be remembered in any discussion about the future of war-time trade controls. At the same time, the relative importance of the United States for international trade grew.¹¹ The regular export surplus diminished in the course of the war, only to be replaced by a rising volume of lend-lease deliveries. Not until the end of 1943, however, was the control of foreign trade and related activities centralized in the Foreign Economic Administration.

One important result of war-time developments has been the increased dependence of the Latin American area upon the United States as supplier and buyer; and the partial replacement of the old, restrictive type of Latin American controls over imports and exchange by a new type, which is better adapted to United States export controls.¹² Moreover, current estimates of Latin American needs have led to a type of requirement studies which may survive the war.

A more general application of war-time experiences to the post-war situation, which suggests itself, would be a continuance of the mutual aid and international economic co-operation which are the essence of lend-lease. In the words of Edward R. Stettinius, Jr., "having won the war only because we were united, what a ghastly mockery it would be if we lost the peace because we permitted our unity to be destroyed."¹³ This is particularly true as lend-lease develops from unilateral subsidies to mutual aid, thus partly dissipating the fears of many about a perpetuation of one-way assistance or its conversion into a dubious method of disposal for chronic American surpluses. A negotiated general cancellation should be applied to those obligations resulting from the delivery of goods which have meanwhile been expended in the war effort; durable capital equipment sent abroad under lend-lease aid presents different problems.

¹¹ *World Economic Survey, 1941-42*, Geneva, 1942, p. 156; *Survey of Current Business*, January, 1944, p. 13; H. P. Whidden, Jr., "U. S. Foreign Trade and World Economy," *Foreign Policy Reports*, Aug. 1, 1944.

¹² U. S. Tariff Commission, "The Foreign Trade of Latin America," Part 1, Report No. 146, 2nd Series, Washington, 1942, pp. 22 ff. *Foreign Commerce Weekly*, April 11 and 18, 1942, and April 24, 1943.

¹³ "Lend-Lease: Weapon for Victory," New York, 1944, p. 328; J. B. Condliffe, "Implications of Lend-Lease: Economic Problems in the Settlement," *Foreign Affairs*, April, 1943.

At any rate, the very task of lend-lease settlement will necessitate the continuance of international organs of economic co-ordination. It will be for Congress to decide on an application of the lend-lease principle to foreign rehabilitation and reconstruction. The principles of pooling of resources and of international economic co-operation have equally broad possibilities in long-range reconstruction as in war-time. Especially is this true of the exchange of scientific knowledge and of industrial and technological information from government to government.

When the War Ends

THE TRADE SITUATION during the immediate transition will be characterized by the following legacies of the war: (1) War-born restrictions of import along with continuance of a long-range policy of reciprocal trade agreements; (2) A system of export licenses, and a huge volume of lend-lease shipments in comparison with regular exports; (3) A substantial amount of frozen foreign funds; (4) The impact of exchange controls abroad, and war-time preparations for a new scheme of monetary stabilization; (5) Various policies of economic warfare; (6) Experience in inter-Allied economic co-operation, along with huge needs for American assistance in industrial development abroad; (7) The necessity of large-scale relief and rehabilitation abroad and the problem of its gradual shift into commercial trade relations.

Import Restrictions

(1) The danger of import restrictions is in part implied in the very fact that they have originated in war-time needs.¹⁴ One of them has been the need to prevent waste of shipping space. The import control of the War Production Board has involved the methods of procurement, such as the decision whether the importer buys the product for account of the Defense Supplies Corporation, which then resells it, or whether the latter purchases it directly, or whether still another method of acquisition is used. In addition, it has also included restrictions on the disposition of the imported material. The temptation to extend such war-time restrictions to peace-time trade clearly exists.

Trade barriers and a policy of self-sufficiency still enjoy considerable support in this country, as various polls of public opinion indicate.¹⁵ Restrictions against "re-import dumping" after the war, for instance, might find considerable popular backing. Conceivably the war-time

¹⁴ "Import Control: Aid to Victory," *Foreign Commerce Weekly*, July 4, 1942.

¹⁵ National Opinion Research Center, University of Denver, "War and Peace," 1943 Edition, pp. 14 ff.

policy of import controls might be used as a starting-point for expanded trade restrictions after the war, especially for barriers of a quantitative character. It is now widely admitted that a quota system is in many respects a more serious restriction than a tariff; it encourages overinvestment and a monopolistic organization of producers, tends to distort the price formation, and fosters discrimination between nations.¹⁶

There is also a danger that restrictive attitudes may impede essential imports which are required in view of the progressive exhaustion of certain resources in the United States but which have no precedent in the past. Especially is this true of petroleum and various metal ores. The desire to protect the new synthetic production of certain essentials, regardless of whether it is economically justified in peace-time, may also lead to increased barriers.¹⁷ In short, there is a serious danger that in the contest between import restrictions which have originated in war-time necessities, and a policy of international collaboration as represented by the reciprocal agreements, the latter may turn out to be weaker during the transition period unless a vigorous effort is made to apply import controls in a co-operative rather than a restrictive spirit.

Export Controls

(2) Export controls before the war usually involved the encouragement of exportation by subsidies, credit guarantees, etc., but export duties were also employed, chiefly in non-industrialized and colonial areas. Export restrictions designed to raise the price level on foreign markets likewise were not infrequent. Finally, during the immediate pre-war and war period, embargoes imposed for military or political reasons have been numerous.

The reasons for war-time export control in the United States are chiefly shortages of critical materials; the wish to withhold important commodities from the enemy; lend-lease requirements; and the strain upon shipping. In particular, it is intended to keep shipments down to the essential minimum needs of friendly nations.¹⁸ When the war is over, critical shortages and necessities of warfare will gradually disappear; but it will still be desirable to co-ordinate domestic export production and actual

¹⁶ Gottfried Haberler, "Quantitative Trade Controls: Their Causes and Nature," Geneva, League of Nations, 1943, especially pp. 20 ff., 28 ff.; Richard Schüller, "New Methods of Trade Policy," in "Problems of Post-War Reconstruction," ed. H. P. Jordan, Washington, 1942.

¹⁷ K. E. Knorr, "Access to Raw Materials in the Postwar World," *Harvard Business Review*, Spring, 1943.

¹⁸ Hector Lazo, "Export Control Today," *Foreign Commerce Weekly*, Nov. 11, 1942; W. Alderson, "Programs Established for Licensing Exports," *ibid.*, April 3, 1943.

foreign needs, a job which is done in war-time by WPB allotments based on quarterly estimates of requirements by the Allied missions.

In the field of exports, as elsewhere, control need not necessarily mean restriction. In particular, war-time curtailment should not be confused with overall planning of foreign trade policy. However, the expected revival soon after the war of export and import associations involves a potential danger of restrictive business combination unless some type of governmental supervision is continued, especially toward agreements between associations at home and abroad.¹⁹ Some pressure from interested groups in the direction of export subsidies after the war can also be expected.

American export policy will inevitably be influenced by the disposal of government-held surpluses, a legacy of military stockpiles and the cancellation of war contracts. Perhaps half of the former type, including billions of dollars worth of civilian-type goods, transportation equipment, etc., will be abroad at the time the war ends. Much of the domestic part of the surplus will likewise be available for export. It is likely that the bulk of surplus materials abroad will be disposed of on a basis of lend-lease or outright gift, with the promotion of good will toward this country and indirect advertising of American products as the chief compensation. In other cases long-term credits may be the form chosen for such disposal. Fears that such methods might impair regular American export would hardly be justified, for these excess products will only meet exceptional needs in the starved countries of Europe and Asia. It would be very unfortunate, however, first to familiarize these populations with American goods and then to deprive them of any regular opportunity to buy such goods, by shutting out their own products from this country during the period following rehabilitation. More generally, it would not be desirable to encourage during the transition a huge surplus of American commercial exports, especially since such a policy might contribute to a disorderly rise in price levels at home as long as shortages persist. It would be much wiser to encourage an alleviation of such shortages by a reduction of unnecessary import barriers.²⁰

The war has made mutual co-ordination of Allied export policies necessary and frequent. Popular interpretation of lend-lease, which at first tended to identify it with unilateral cash reimbursements (in fact,

¹⁹ H. L. MacBride, "Export and Import Associations as Instruments of National Policy, *Political Science Quarterly*, June, 1942.

²⁰ See S. H. Slichter, "Foreign Trade and Postwar Stability," *Foreign Affairs*, July, 1943.

the latter were always insignificant and were, on the whole, confined to the Netherlands), now shows much better understanding of the possibilities for lasting economic collaboration which it implies. The export license system and the restriction which it involves, will undoubtedly disappear soon after the war is over, but the abolition of restrictive control need not mean the end of a purposeful export policy.

Frozen Funds

(3) Foreign funds amounting to more than \$7 billion are frozen in the United States, with France, the Netherlands and Switzerland as the biggest claimants. There is little probability that they can be released promptly when military hostilities end. To begin with, immediate removal of such controls in the United States would be partly ineffective as long as the other nations concerned either have no working financial system or have to maintain tight financial controls of a war-time type. Moreover, if the funds should be speedily released for utilization in the United States, then they might contribute to the inflationary danger during transition, even though the bulk of them consisted originally of capital funds. On the other hand, a well-considered de-freezing at a later date might be helpful in fighting a post-war slump. Part of the funds may be used for clearing settlement of debts owed to the United States, although the fact that two-thirds of the total is owned by individuals rather than by governments would complicate such a policy, and though the general prospects for such international clearance are doubtful. A selective policy with treatment of each category or item on its own merits will probably be necessary. Such a policy will have to be fitted into a general program of international economic reconstruction, a program which should not be unduly hampered by claims accrued before the catastrophe of total war.²¹

The treatment of those types of foreign property taken over by the Alien Property Custodian will constitute a related problem, though on a much smaller scale. By February, 1944, this agency had taken over more than \$375 million worth of alien-controlled property, and some 30,000 patents which were made available to American industry on a non-exclusive, royalty-free basis. However, only about one-third of the sum mentioned is enemy property, in addition to \$200 million enemy assets included in the funds frozen by the Treasury. The magnitude

²¹ U. S. Treasury Department, "Documents Pertaining to Foreign Funds Control," Washington, 1942; Judd Polk, "Freezing Dollars Against the Axis," *Foreign Affairs*, October, 1941, and "The Future of Frozen Foreign Funds," *American Economic Review*, June, 1942.

of this problem will, therefore, be very limited and its solution will not present any problems of particular difficulty.²²

Exchange Controls

(4) Exchange controls abroad, and the general exchange situation of many countries during the transition period, will be greatly influenced by the commercial and financial policy of the United States. In particular, the early establishment of a sound exchange rate between the dollar and the pound sterling will be indispensable if Britain is to recover economically and if she is to participate actively in international reconstruction. However, a system of monetary stabilization on a more sweeping scale will be necessary in order to permit the war-torn countries to avoid inflation and depreciation, and to secure all essential imports during the period of rehabilitation and its immediate aftermath, even if we are willing to assign post-war lend-lease an important temporary rôle.

American preference for gold as the basis of the new stabilization fund and world credit system has been of decisive influence. However, the new gold system might eventually defeat its own purpose if the United States should increase its absorption of foreign gold rather than that of foreign goods and services, and if it should implicitly disregard the strong world demand for dollars which will exist after the war. At the time of writing it seems as if the gold holdings of the United States had passed their peak. In the last analysis, indeed, it will be the future commercial policy of this country which will determine to a great extent the prospect for stable and sound exchange conditions in the world.²³

It is now widely recognized that the problems of exchange stability, trade promotion and full employment are closely interconnected. Many countries depend on foreign trade, stable exchanges and international capital movement in order to achieve full employment; conversely, prolonged depressions tend to disrupt the currency systems and exchange ratios. Moreover, restrictive exchange controls are contagious, especially if they lead to the formation of blocs. Finally, only stable exchanges permit adequate financing of foreign trade, which will be of special importance during the period of rehabilitation, when the productive power

²² John Dickinson, "Enemy-Owned Property: Restitution or Confiscation?" *Foreign Affairs*, October, 1943.

²³ J. B. Condliffe, "Agenda for a Postwar World," New York, 1942, pp. 202 ff. and 218 ff. Commission to Study the Organization of Peace, *Fourth Report*, Part II, pp. 8 ff.; H. S. Ellis, "The Problem of Exchange Systems in the Postwar World," *American Economic Review*, Supplement, March, 1942; S. E. Harris, "The Economics of America at War," New York, 1943, Chapters 14-5, 17-9.

and credit system of war-torn nations will still be in a state of convalescence. In other words, it will be essential to have a working system of international monetary stabilization ready for immediate application at the time when the war comes to an end; but it will be just as indispensable to co-ordinate it with an overall policy of international reconstruction and full employment. In both respects, the commercial policy of this country will play a decisive rôle.

Economic Warfare

(5) Economic warfare in general will cease with the end of military warfare, but certain precautionary policies, such as the maintenance of strategic stockpiles, may survive for some time. Aside from the measures discussed in earlier paragraphs, special controls over trading with former enemies will no doubt be relaxed cautiously, especially as their territories will at first remain under occupation. Later, distinctions may be made according to the type of product, and exports of munitions and certain war-essential materials may remain licensed. As the German and Japanese economies are reshaped, such war-time policies of the United States as pre-emptive buying and blacklists will sooner or later disappear, but some precautions against any revival of totalitarian trade practices and another "bloodless invasion" by these or other countries may be retained for a long time.

Rationing and economic supervision of neutrals will probably be abolished at an early date. Indirect control by continued price regulation of imports and especially of exports is likely to persist longer; if we assume that price control will be indispensable in order to avoid inflationary dangers during the transition period, then we have to expect an inevitable extension of such domestic regulation into the field of foreign trade relations. It is to be hoped, however, that it will not leave any legacy of arbitrary discrimination toward foreign traders or nations.

Economic Co-operation

(6) Inter-Allied economic co-operation will be just as essential during the transition period as it is in war-time. There is every reason to attempt its transformation into a permanent peace-time policy which could eventually be extended to all other nations. More specifically, this need for co-operation applies to a joint policy of relief and rehabilitation; the co-ordination of national production programs and anti-depression policies; area adjustment of imports and exports; an international shipping policy; monetary and financial collaboration; the disposition of

"orphaned" colonies; resettlement and migration projects; and an international labor code. The Combined Boards for shipping adjustment, munitions, raw materials, food, and production and resources, are the logical starting-point for the administrative set-up of such collaboration, although distrust toward them among American foreign traders has so far been considerable. The boards might later be transformed into agencies for the disposition of surplus raw materials, or preferably for advance planning of the production and distribution of those goods which in the past have caused surplus headaches. The United Nations Relief and Rehabilitation Administration will provide important lessons in some related types of collaboration.

Generally speaking, the principle of pooling of resources within the framework of an intergovernmental policy (not to be confused with monopolistic restriction through cartel agreements) is sound and has post-war possibilities. The suspension of the usual customs duties on war-essential imports may also set a precedent for the future reduction of trade barriers. What will especially matter during the transition period will be a joint plan designed to cover the import needs of war-torn areas, and the avoidance of a scramble for available supplies at the moment the war ends. Such pooling of resources, of course, should be on a voluntary and mutual basis, as distinguished from Axis "co-prosperity."²⁴

More particularly, such collaboration will have to take the changed economic rôles of the United States and Britain into account. Britain's export needs after the war will be urgent, for some of the other traditional items on the credit side of her payment balance are gone, in particular, the income from foreign investment. The only alternative to an economic understanding is bitter rivalry, perhaps with artificial price supports and exchange manipulations. Article VII of the Anglo-American agreement of February 23, 1942, appears to indicate that hopes for future co-operation are justified. "What have we to fear? Competition with Great Britain? Let us hope that there is plenty of healthy competition as well as close co-operation between us in the building up of world trade and prosperity in our own and in other lands."²⁵

It has been suggested that the war-time Combined Boards be developed into an International Trade Authority which would co-ordinate the

²⁴ Henry Chalmers, "Economic Pooling and Lend-Lease Operations Among the Belligerent Allies," *Foreign Commerce Weekly*, March 13, 1943.

²⁵ Stettinius, *op. cit.*, p. 328. See also H. Feis, "On Our Economic Relations with Britain," *Foreign Affairs*, April, 1943.

various needs and plans for industrial development, exchange stabilization, migrations and welfare policies.²⁶ It would have to use more effective methods than those which have characterized the policy of reciprocal tariff reduction through bilateral bargaining. The transition period will require administrative agencies with wide powers and great adaptability in line with changing requirements.

Finally, the creditor-debtor position of the United States has greatly changed as a result of the war. In 1939, American investments abroad amounted to \$11.4 billion (the bulk of it long-term), and foreign investments in this country were \$9.6 billion (of which almost two-thirds was long-term).²⁷ The full impact of war-time changes can only be estimated, but the investment of European nations in the United States has greatly decreased, and United States investment in such regions as South America has been increased by war-time industrialization. A recent census of the Treasury Department of American-owned property abroad showed a total of \$13.3 billion, including \$3.2 billion in Latin America, and \$4.4 billion in Canada.

Investment lending between governments has now come to the fore, and the term "TVA-Imperialism" has already been coined. There is no doubt that the international need for American investment will be substantial during the early post-war period. Here again, the war-time shift in the international distribution of financial assets, which at first sight favors the United States enormously, may turn out to be a source of grave maladjustments in the world economy unless this country is willing to accept, through its commercial policy, that kind of economic equivalent which the other nations are able to supply. The only real alternative is a continuance of gifts on a large scale.²⁸

Relief and Rehabilitation

(7) The first task at the end of the war will be relief and rehabilitation in Europe and Asia. The magnitude of this task is illustrated by the UNRRA minimum estimate of 45,855,000 metric tons required for import into the Allied countries of Europe alone during the first six months after their liberation. Much of this assistance will have to be given on a basis of equality, whether or not the countries concerned are able to pay for it.

²⁶ P. W. Bidwell, "Controlling Trade After the War," *Foreign Affairs*, January, 1943.

²⁷ "The United States in the World Economy," p. 123; see also *The New York Times*, April 20, 1944.

²⁸ R. B. Bryce, "Basic Issues in Postwar International Economic Relations," *American Economic Review*, Supplement, March, 1942, pp. 170 ff.

The transition from relief and rehabilitation to commercial trade relations will be full of pitfalls, but the first few steps can be taken even before the war is completely over.²⁹ This has been demonstrated by the early resumption, on a modest scale indeed, of commercial transactions between the United States and French North Africa. It has been suggested that the transition to commercial relations be expedited by the establishment of a "Trade Stabilization Budget," with annual trade credit by the United States to foreign nations against equal credit by these nations to the United States, at a designated exchange rate. This suggestion was made only in order to enable other countries to cover their minimum import needs during the transition period, and its author emphasizes that no accumulation of such credits from year to year should be allowed and that regular multilateral trade should be resumed as speedily as possible.³⁰

One of the first problems to be solved will concern the equitable distribution of excess stockpiles from the war. At the same time it may not be too early to think about the potential danger of peace-time surpluses, especially in the field of raw materials and agriculture. This danger may grow out of the very deficiencies in war-time, just as after World War I. In fact, the war-time encouragement of the production of protective foods, such as dairy products and fats, may foster future surpluses unless an international policy of high consumption standards and improved methods of nutrition is achieved during the immediate post-war period.³¹

TO SUM UP the trade situation at the end of the war, the whole world will badly need American products, both those designed for consumption and those required for investment; but it will have very little to offer immediately in compensation, especially if American trade policy, in its practical effect, should discourage such compensation. While the United States could do without increased foreign trade, many other nations could not. At the same time, lend-lease and other war-time factors have potentially increased the future opportunities for American export, and the long-range interest of this nation is unmistakably connected with a sound and prosperous economy in the rest of the world.

The disentanglement of war economy in the war-torn countries, the readjustment of their price structure, and the great task of rehabilitation,

²⁹ Karl Brandt, "Problems of Invasion and Occupation," *Foreign Affairs*, July, 1943.

³⁰ Herbert Feis, "Restoring Trade After the War," *Foreign Affairs*, January, 1942.

³¹ See Condliffe, *Agenda*, Chapter V; and A. E. Taylor, "Five Postwar Trade Problems," *Harvard Business Review*, Winter, 1943.

will necessitate careful co-ordination and timing. The utilization and expansion of the war-time collaboration of the United Nations offers the natural starting-point for such economic policy.

The requirements of the transition period will result in a strong tendency toward government trade monopolies, or, at least, government-guided trade policies, in a great many countries. The decisive question is whether a restrictive, protectionist orientation of such agencies and policies can be avoided, and whether the underlying philosophy of regulation is to be nationalistic isolationism or international co-operation.³² At the same time, this latter course, which is definitely preferable, has favorable prospects for realization only if it integrates international trade policy with the national requirements of full employment and of fight against depression.

Long-Range Problems of Trade

MUTUALLY BENEFICIAL TRADE among nations can be expected to develop under specific conditions of equilibrium, but there is no dependable mechanism in the world as it exists today to guarantee the automatic appearance of such conditions. We have mentioned already the chronic discrepancy between the free-trade recommendations of both the economists and international conferences, and the restrictive policy of the national governments; a discrepancy which has largely been due to economic insecurity and the constant threat of depression in many countries. In addition, the aftermath of World War I has demonstrated how easily the inevitable period of uncertainty after a major war can lead to further growth of trade barriers, if no advance agreement in war-time about future economic policies is achieved by the major governments concerned.

In other words, a number of decisions about long-range policies must be made even while the war is on. This is especially true of the United States, whose domestic success or failure in securing full employment will be a decisive factor affecting world prosperity and international trade.

We have attempted to show that the probable continuance of foreign trade controls into the post-war period need by no means involve a course of economic nationalism, and that control does not necessarily mean restriction or discrimination. Likewise, the necessity of transitional controls does not necessarily prejudice the restoration of multilateral trade relations, especially in the long run. While it is true that trade con-

³² H. S. Ellis, "Removal of Restrictions on Trade and Capital," "Postwar Economic Problems," ed. S. E. Harris, New York, 1943, pp. 345 ff.

trols have a tendency to spread, and to narrow down the possibilities of free-market economies, trade between controlled economies is not necessarily confined to bilateralism.³³

It cannot be often enough repeated that the commercial policy of the United States will be of overwhelming importance in shaping international post-war trade. This has been recognized by spokesmen of the government itself: "Lack of determination to abandon the policies and practices of economic warfare will be the greatest danger that can confront us after the war."³⁴ Only gold imports have in recent years enabled the United States to be a creditor while having a continuous export surplus. With the United States accounting for 80 per cent of the world's gold stock, this stopgap cannot be relied upon in the future. The expected revival of expenditures made by American tourists abroad and of immigrants' remittances likewise cannot be the full answer. A Department of Commerce estimate visualizes, on the assumption of a domestic economy functioning at capacity levels, an American balance of payments in 1948 of \$10 billion, with imports of \$6.3 billion (in 1942 import prices) and other payments to foreigners of some \$4 billion, against exports of \$7 billion.³⁵

It does not, indeed, mean minimizing the United States tariff problem if we emphasize that its importance for world trade is dwarfed by that of the general business trend in this country. In addition, there looms the unorthodox problem of a world needing very much from a country which needs very little from the world; a problem which, if it should further gain in importance, could be once more postponed but not solved by American capital exports.

It will certainly not be desirable, for a long time at least, to let this country once more become a magnet for foreign capital, thus encouraging deflationary pressure abroad. Its natural rôle during the extensive period of international reconstruction will be that of an international investor,

³³ See L. L. Lorwin, "Economic Consequences of the Second World War," New York, 1941, pp. 321-8; Folke Hilgerdt, "The Case for Multilateral Trade," *American Economic Review*, Supplement, March, 1943.

³⁴ Leo Pasvolksy, "The Problem of Economic Peace After the War," Washington, 1942, p. 18; J. H. Williams, "Policies of the United States as a Creditor Nation," *Proceedings of the Academy of Political Science*, January, 1944; E. F. Schumacher, "The Reconstruction Problem of Gold," *Agenda*, London, February, 1943. (See also the papers by J. B. Condliffe, J. Viner and P. W. Bidwell in the *American Economic Review*, Supplement, March, 1944.)

³⁵ "Foreign Trade After the War," Washington, 1943, *passim*. See also "The Dollar Problem," *The Economist*, London, Dec. 4, 1943; "To Trade Or Not to Trade," *Fortune*, May, 1944.

with the great share of responsibility for commercial and monetary conditions in the world which this involves. On the other hand, opportunities for United States capital exports are likely to decrease once the first post-war rush of industrialization is over.

It should indeed be realized that American protectionism in our period has deeper roots than mere lack of economic knowledge. The whole social structure of such areas as the Rocky Mountain region has been built on the assumption of tariff protection and other forms of social subsidy, and the vested interests thus created involve the majority of the population there. Right now, the problem of protection affects not only such old industries of great regional importance as mining and beet sugar growing, but also some \$21 billion worth of newly-built war plants, of which three-fourths is government-owned. Already shipping interests, for instance, stress the connection between a big merchant marine and large foreign trade. Regional interests already are clamoring for post-war tariff protection for the newly built plants; and they are supported by those groups interested in an "educational" protection of war-essential synthetics such as rubber and oil.

Nutritional changes which affect the demand for feed corn, for instance, and the increased mechanization of agriculture also raise possible problems of tariff protection, which can be only mentioned here. Potentially, the post-war revival of foreign agriculture may result in a new crisis of American exports of wheat and cotton. These examples may suffice to show that a policy of international economic co-operation on the part of the United States government has long-run prospects for success and majority approval at home only if it is co-ordinated with a domestic policy which takes the impact of such international changes upon the national and regional economy into full account. Especially is this true of international commodity agreements.³⁶

Generally speaking, the post-war trade policy of the United States should be that of a country which is a large-scale creditor and expects to continue to invest capital abroad, especially for purposes of industrialization and development projects in such regions as China, India, Latin America and Eastern Europe.³⁷ The usefulness of American investment and general exports to these areas will, indeed, partly depend on whether United States industry, in its export policy, will be able to discard fancy

³⁶ J. S. Davis, "International Commodity Agreements in the Postwar World," *American Economic Review*, Supplement, March, 1942.

³⁷ L. L. Lorwin, "International Economic Development," Washington, National Resources Planning Board, 1942, *passim*.

models and to develop sturdy standardized motor vehicles, construction equipment, multiple-purpose gasoline engines, refrigeration, and machine tools. Even such simplified models will require the provision of skilled personnel for instruction, servicing and supervision.

Moreover, here again the necessity of economic adjustment at home in line with foreign developments, and the possibility of unfavorable effects of industrialization abroad on exports of specific types of manufactured goods from the United States, should be taken into sufficient account. At the same time, the demand of foreign nations for investment capital during the immediate transition will be great and may exceed that type of capital supply available on the basis of profit expectation. Much of this investment may have to come from public property (especially from the demobilization of government-owned war plants) and may have to be based on arrangements between governments, or on mixed enterprise with some participation of the receiving country.

We can only mention here some special problems which are expected to arise in American economic relations with certain other nations. It is generally admitted that Great Britain will face great difficulties in balancing her international payments, and that her export needs will be tremendous if the loss of such traditional revenues as shipping fees and capital interest is to be equalized.³⁸ The attitude of the United States in such matters as tariff and shipping policy, rubber import, and lend-lease, will be of decisive influence upon the British trade problem. Even while the war is on, the growing elimination of capital goods shipments to British areas under lend-lease indicates the range of coming adjustments.

Some of these considerations will also apply to American post-war trade with Soviet Russia, whose reconstruction will require the import of huge quantities of railroad equipment and machinery for heavy industries, while her imports of consumers' goods are much less likely to survive the war emergency. However, the natural resources, including gold deposits, of that country, and her centralized economic system may make trade adjustment much easier for her than it will be for Britain.

Finally, any insistence of the United States on payment of huge reparations by the Axis powers, or on extensive payment of war debts by her past or present Allies, would automatically increase the need for a generous import policy on the part of this country. It is not very likely,

³⁸ H. P. Whidden, Jr., "Britain's Postwar Trade and World Economy," *Foreign Policy Reports*, Dec. 15, 1943; "Britain's Balance Sheet," *Fortune*, December, 1943.

however, that the problems of debts and reparations this time will be allowed to distort the foreign economic policy of the United States.

Much will depend on whether an effective international agency for economic co-operation can be established, with whole-hearted American participation. The scope and set-up of such an agency have been widely discussed. The proposals made include an International Tariff Commission; an International Development and Investment Bank co-ordinated with an International Commodity Corporation, which would attempt a counter-cyclical policy on an international scale; an Economic Union which would combine a reciprocal trade program, an international bank, international cartel regulation and joint action against depressions; a United Nations Economic Organization; and a World New Deal based on co-operative group action under public control.³⁹ From a different angle, the Federation of British Industries advocates the creation of an international economic council which would estimate requirements and guide the flow of post-war trade. Within such a set-up, the British Empire is to operate as a single trade unit. We cannot here discuss the broader aspects of the new British support of international production agreements, combined with national safeguards of consumption; but it is perfectly clear that British industry is no longer prepared to rely on free-trade automatism.

Some of the suggestions mentioned are less realistic than others, but whatever form of international economic co-operation will eventually be chosen, it should include an agency for migration and settlement; an agency for co-ordination of national employment policies; an agency for keeping down the trade barriers and encouraging international commercial arbitration; an agency for financing international trade, investment and development; an agency for monetary stabilization; and a machinery for uninhibited access to raw materials, not in the political sense of territorial domination but in the economic sense of providing all nations on equal terms with exchange funds for the purchase of all essential imports whenever their normal supply of exchange fails to function.

On the other hand, there is only one step from economic co-operation to monopolistic restriction, and careful watch will be necessary in order to prevent international commodity agreements, for instance, from degen-

³⁹ Condliffe, *Reconstruction*, pp. 194 ff. and *Agenda*, Chapter VIII; A. H. Hansen, "World Institutions for Stability and Expansion," *Foreign Affairs*, January, 1944; O. T. Mallery, "Economic Union and Durable Peace," New York, 1943; Lorwin, *Economic Consequences*, Part V; John Torpats, "Economic Basis for World Peace," New York, 1941; P. E. Corbett, "Post-War Worlds," New York, 1942, pp. 130 ff.; Committee on International Economic Policy, "World Trade and Employment," New York, 1944.

erating into a revival of restrictive cartel practices. In particular, a readjustment of the Webb-Pomerene Act and special caution in liquidating German patents and other alien property will be advisable, although a few authors consider cartels a desirable post-war form of industrial organization and international co-operation.⁴⁰

The "joint-area" agreements between the United States and Britain for exclusive buying and selling in war-time of such products as fats and oils, especially in the Middle East, have stirred up a bitter controversy. Some of it may be due to fears that British commercial channels in the areas concerned are better developed than American; but this controversy also shows that certain groups are much more easily aroused against governmental agreements than against private monopolistic practices, even if the purpose of the former is to avoid crosshauling and waste of shipping in war-time.

Many of the changes wrought upon international trade by war production, by lend-lease and, above all, by accelerated industrialization of vast regions of the world, are irrevocable. War production has demonstrated the possibilities of prolonged full employment. Lend-lease has taken the dollar sign out of foreign trade relations, in a period of emergency; its settlement will be of fundamental importance in shaping future balances of payments. Industrialization of backward areas means higher standards of living and production there. It may also mean an increase in the foreign trade of the older industrial nations, if the latter are willing to accept the equivalent of their own exports and to readjust part of their own production in accordance with international needs. The aftermath of war-time trade controls can bring either new restrictions and economic warfare, or a vast increase in international exchange of goods and services. No country will have a larger responsibility in shaping this decision than the United States.

Sarah Lawrence College

⁴⁰ "No Peace with I. G. Farben," *Fortune*, September, 1942; U. S. Senate, Committee on Military Affairs, 78th Congress, 2nd Session, *Economic and Political Aspects of International Cartels*; Corwin D. Edwards, "International Cartels as Obstacles to International Trade," *American Economic Review*, Supplement, March, 1944. For the pro-cartel viewpoint, J. A. de Haas, "Economic Peace Through Private Agreements," *Harvard Business Review*, Winter, 1944.

The Career of Dr. William Temple

BROUGHT UP in Lambeth Palace, where his father, Dr. Frederick Temple, then resided as reigning Lord Archbishop of Canterbury, Dr. William Temple was clearly destined at an early age to achieve high place in the Church of England. He began his schooling at Rugby when his father was headmaster, and then went down to Oxford, where he remained until he was 29.

Truly, in his youth he was sheltered from social problems, from poverty. But at an early age he displayed an inquiring mind and became interested in philosophy—some say he read Kant at 12. And at Oxford he became interested in social and educational problems, and the interest remained with him until his untimely passing on Oct. 26, 1944, at the age of 63.

A brilliant preacher and writer, one of the most popular churchmen in England, he became chaplain to the Archbishop of Canterbury, then Dr. Thomas Randall Davidson. In 1921 he was appointed Bishop of Manchester. On Dr. Davidson's retirement in 1929, Dr. Temple was appointed Archbishop of York, succeeding to the see of Canterbury in 1942.

In the old times not a few English bishops won places for themselves in history, and even in martyrology, for their defense of human rights. Even in modern times this tradition had not died out; a notable crusader for the rights of the human person was the Catholic Archbishop of Westminster, Cardinal Manning, as well as his recent successor, Cardinal Hinsley. In this gallant company of true shepherds of souls Dr. William Temple earned an honored place.

Though it might have cost him all further preferment in the Church, Dr. Temple proclaimed forthrightly his sympathy with labor and its aspirations. He took an active part in the Bishop's move in 1926 to end the coal strike, in spite of the furious resentment of the conservatives. In 1941 he convened and presided over the Malvern Conference, at which the principles of social Christianity were translated into concrete proposals, and he took a large part in the writing of its realistic declaration, a program which, if used as a basis for post-war planning, would go far toward the realization of ethical democracy.

As Archbishop of Canterbury, as Primate of All England, Dr. William Temple was a symbol and an example of the leadership men of good will everywhere need in this time of social crisis. In the footsteps of the Master he walked worthily. May his brethren of the purple emulate his noble career! And may all of us who were linked with him by the strong ties of social principle honor his memory by ever more ardent activity in its behalf!

W. L.

Henry George, Reconsidered

By GLENN E. HOOVER

AN OCCASION for re-examining the place of Henry George in the history of ideas offers several opportunities. We may properly seek to distinguish what was true and lofty in his conceptions, and separate what was eternal from what was only temporary or adventitious. We may even graciously avow what today seems to be erroneous in his thinking, and try in every way to profit both from his wisdom and from his mistakes. Surely it is in this way that he would wish us to honor him.

A somewhat inquiring and even critical study of the work of George, the economist, social philosopher and social critic of nineteenth-century America, is especially appropriate in view of the very modest achievements to which he and his followers lay claim. Albert Jay Nock, who, with John Dewey, believes George to be "one of the first half-dozen of the world's creative geniuses in social philosophy," does not hesitate to say that George "is pre-eminently the Forgotten Man of Anglo-American civilization; he is almost wholly unknown, un-remembered, save as a minor figure, more or less eccentric, in the public life of the last century."¹

Mr. Nock, in his essay on George, attempts to explain why the reformer has had so little permanent influence on the world, but I am sure that Mr. Nock had so little confidence in the finality of his answers that he hoped others might continue the investigation. To explain the decline in the reputation of George is easy for his critics, but presents some difficulty for his followers. The critics may say that the passage of time has merely exposed George as a shallow utopia-monger or a glib charlatan, but his admirers can hardly accept this explanation.

I

THE CASE OF GEORGE differs from those men of acknowledged greatness, such as the monk Gregor Mendel or Walt Whitman, who were relatively unknown while living, but whose statues increase with the decades. George was an international figure and his name was a household word throughout at least the English-speaking world before he had reached his fiftieth year. During much of this time he was in fact better known in the British Isles and in Australia than he was in his native land. His writings too, enjoyed a popularity surpassing those of any other writer in the

¹ Nock, "Henry George, An Essay," New York, Morrow, 1939, p. 200.

field of economics, yet his fame, as distinct from his real worth, declines with each passing year.

Mr. Nock is one of those who believe that George was essentially a philosopher who made the tactical mistake of dissipating his energies by participating in all the polemics and political controversies of his time, instead of devoting his great gifts exclusively to study and writing. By electing to engage in controversy with Herbert Spencer, the Duke of Argyll and the Pope, and by twice permitting himself to be nominated for Mayor of New York City, he achieved considerable fame, but, after his death, it faded with surprising quickness.

The publicity which George invited and received did not, however, spring from his vaingloriousness, but from his desire to remedy the injustices of which he was so keenly aware. Nock believes that George's greatness lay in the field of philosophy, but for some of us it lay in the field of ethical sensitivity. And George, like all who hunger and thirst after righteousness, was temperamentally incapable of remaining aloof from the struggles of his day—cost what it may in time, energy and ultimate reputation.

Perhaps, too, his reputation has suffered from certain weaknesses in those who claimed to follow him. The ultimate renown of every man of distinction is largely dependent on the qualities of those who are in some sort his apostles. The good causes for which George labored lacked the discipline of the Roman Church, so that any man might style himself an apostle of George, and perhaps some did who reflected little credit on their avowed master. Because of my limited acquaintance with self-styled "Georgists," and because of the obvious delicacy of the topic, I shall merely recall what Mr. Nock has said of the state of the nation during the last decade of George's life, and the unfortunate character of some of those who, after his death, professed to be his followers. Nock describes the America of George's later years as follows:

The decade 1887-97 was one of the most extraordinary periods in all the history of America's fantastic civilization; even the period 1929-39 can do but little more than match its bizarre eccentricities. No one can describe that period; when the philosophical historian engages himself with it fifty years hence, he will think—and with reason—that he has come upon a nation of Bedlamites. Every imbecile socio-politico-economic nostrum that inspired idiocy could devise was trotted out and put on dress-parade for the immediate salvation of mankind. Free silver; the initiative, referendum and recall; farmer-labourism, votes-for-women, popular election of senators, the Wisconsin Idea, direct primaries, Coxey and his army,

Carry Nation and her hatchet, Coin Harvey and his primer—the list is without end.

This incredible irruption of frantic fatuity had serious permanent effects upon the status of George and his doctrines. When it had spent itself and subsided, he was left as merely one more nostrum-pedlar among the many.²

Mr. Nock, after lampooning with such gusto the Gay Nineties, alias the Age of Nonsense, pitches into those erratics whom he holds responsible for giving the kiss of death to the Georgian gospel, a gospel, be it remembered, to which Nock most heartily subscribed. With the wrath and rhetoric which characterized his more lively moods, Nock said:

Another damaging effect of circumstances was that a good deal of society's "lunatic fringe" which the period had released and made articulate, fastened on George's doctrine and perverted it with various adulterations. They associated it with other matters which interested them—matters ranging all the way from proportional representation to dietetics and promiscuous love-making—and viewed this association as natural and logical. . . . An idea, like an individual, is largely judged by the company it keeps; and it was no recommendation of George's philosophy to hear it advocated by a professing single-taxer who was also a Bahaite, an interpreter of dreams and visions, a free-silverite, and who had theories concerning a nut diet and the mystical number seven.³

Mr. Nock may have been a bit severe with the more erratic followers of George but their influence must have repelled many who might otherwise have been attracted to his writings and his program. On the other hand, George was peculiarly fortunate in influencing some of the most thoughtful men of his time, such as George Bernard Shaw, Count Tolstoy and Cardinal Manning, to mention only a few of his distinguished foreign admirers. However, a single misguided advocate of a cause can do more harm than a dozen sound advocates can repair.

It is very clear, of course, that George's reputation was never enhanced by any support which he drew from academic circles. This was the occasion of some bitterness on his part which he did not attempt to conceal. It would be comforting to believe, as Louis Post reports, that "the academicians held aloof because George's appealing eloquence had spoiled his work for Harvard, and his irrefutable logic had put it beyond the comprehension of Yale," but this explanation is only partial.

It is undoubtedly true that George's more fervid passages are sometimes in a style that is now considered a little inflated. He wrote as he spoke,

² *Ibid.*, p. 202.

³ *Ibid.*

and when faced with an audience which always warmed to the evident sincerity and sympathy of the man, he could employ phrases which, in cold type, seem a little over-done. And yet, after re-reading George rather extensively in recent weeks, I am convinced that the clarity and forcefulness of his style have had few rivals in any language with which I am familiar. Any defect in it could have contributed but very little to the decline in his reputation.

II

HOWEVER, BEFORE ATTEMPTING to explain the decline in George's fame, we should carefully examine the nature of it. That fame never rested on a wide acceptance of his doctrines, nor even a wide understanding of them. It was rather due to the fact that all who came within his influence realized, as if by magic, that George was one of those rare spirits whose selflessness, love of justice, hatred of tyranny, and genuine sympathy for the oppressed, placed him so far above his fellows as to mark him at once as a kind of secular saint.

Men of this type are the rarest of the human species, but strangely enough, in spite of their rarity, when they appear they are immediately recognized; and the people, as in biblical times, hear them gladly. They are what the Hindus call "the great souled ones," and no ceremony of canonization is required to set them apart. They frequently attract an enthusiastic following, but the enthusiasm cannot long survive the death of the leader whose personal qualities inspired it. Little survives the labors of the saints but their names, and even these are frequently forgotten. Such seems to be the fate that has overtaken the fame of Henry George.

I hope that I have written nothing to discourage those who aspire to sainthood, nor anything that would even seem to disparage the character and achievements of Henry George. There is nothing of which the world has greater need than the untiring, selfless devotion to the cause of justice and human brotherhood which George manifested throughout his life. If human society can be held together at all, a passion for justice and a profound human sympathy are the stuff that will do it, and these George had in unsurpassed measure.

I have gradually and somewhat reluctantly come to the belief that if George's followers had stressed these traits of his character instead of insisting that he had made some remarkable discoveries in the field of economics, his light would not have been so quickly dimmed. He could approach any question of right or wrong with a deep insight and an inexorable logic, but he was not equipped by education, experience or training to trace the de-

velopment of our economic world, or to master the refinements of economic theory.

For instance, his attack on what is loosely called the Malthusian Theory fills about one-ninth of "Progress and Poverty." This attack is replete with acute observation and some eloquent scorn that is deservedly directed at those who would use the Malthusian Theory as an excuse for the perpetuation of injustice. However, the Malthusian Theory, when clearly stated and accurately understood, is still firmly buttressed both by reason and experience and George's attempt to discredit it is perhaps his most conspicuous intellectual failure.

To me, at least, his failure is explained by the fact that his genius lay in the field of ethics, and the Malthusian Theory is a compound of biology and economics. It deals with man's capacity for increasing his numbers, and the intensity of the drives, which, in the absence of interference, will accomplish such increase. George did not deny that experience has shown that human beings are capable of doubling their numbers in less than twenty-five years, but he quaintly assumed that the sexual urge, or what he calls "the tendency to reproduce," is positively correlated with poverty and toil rather than with comfort and leisure. This assumption is so contrary to popular tradition, that to avoid the charge of misrepresentation I should like to quote from his "Progress and Poverty":⁴

The facts cited . . . simply show that where, owing to the sparseness of population, as in new countries, or where, owing to the unequal distribution of wealth, as among the poorer classes in old countries, human life is occupied with the physical necessities of existence, the tendency to reproduce is at a rate which would, were it to go on unchecked, some time exceed subsistence. But it is not a legitimate inference from this that the tendency to reproduce would show itself in the same force where population was sufficiently dense and wealth distributed with sufficient evenness to lift a whole community above the necessity of devoting their energies to a struggle for mere existence.

This note on the intensity of the biological urge is based on the unscientific belief that with the prolongation of schooling and the spread of enlightenment, there will come, in some automatic and mysterious way, a decline in the birth-rate. The implication is that by reading, for example, *The Atlantic Monthly* instead of the funnies, there will ensue some diminution in the mutual attraction of the sexes. I doubt if the spread of this notion would increase the sale of *The Atlantic Monthly*, and I am sure there is not a scintilla of evidence to support it. It is one of the errors

⁴ New York, Robert Schalkenbach Foundation, 1944, Book II. chapter II, p. 103.

which, strangely enough, George shared with his distinguished antagonist, Herbert Spencer. It is distinctly Nineteenth Century and is regarded by modern *scientificos* as an intellectual curiosity. The admirers of George who seek to perpetuate it are doing George and his program a distinct disservice.

The unfortunate part of the whole anti-Malthus crusade was that the refutation of Malthus was in no way essential to establishing the equal right of every child to the earth on which it is born. That right results from the child's entrance into the human family and is not dependent on the existence of either progress, poverty, whatnot or whatever. Professor Harry Gunnison Brown, a leading advocate of George's plan for the socialization of economic rent, writes in his latest book, as follows:

Population in general needs to be limited as well as population in special groups in order that average prosperity and happiness may be high. This may necessitate for low birth rate countries restrictions on the too free immigration from countries whose inhabitants multiply with little regard to economic consequences.⁵

Dr. Brown sees nothing incompatible in recognizing the evils of overpopulation and at the same time striving to socialize economic rent. He sees no incompatibility because there is none to see.

III

THE CONTENTION is sometimes made that the failure, or at best the very modest success, of the Georgist program is due to the fact that its advocates have not somehow hooked it on to the tail of the union labor kite, which now soars so high in the ideological breezes. We who advocate the socialization of rent, of course, should welcome support from every quarter, but to be of value in the long run it must, I believe come from those who share the philosophy of freedom, for this remains the essential core of George's doctrine. Those who have lifted themselves up by exacting a monopoly price for labor are not likely converts to the unselfish program of Henry George.

George, it will be remembered, was not only an advocate of the socialization of rent, but was a thoroughgoing free-trader who elaborated his views in a masterly book entitled "Protection or Free Trade." The intellectual and ethical distance between George and some of our most powerful union leaders is clearly revealed by an article in *The United Mine Workers Journal*. There we find the following:

⁵ Basic Principles of Economics," Columbia, Mo., Lucas Bros., 1939, p. 416.

Stripped of the political patter and "come on" stuff, Wallace's speech boils down to the same old pleas for international free trade that the Wall Street bank circulars have been printing every month for 25 years. It's the same old malarkey that Richard Cobden and John Bright peddled to the British 100 years ago. They fell for it and got low wages and the vilest slums in the western world. . . . As for international free trade, the people who cry for that really hope for a wage standard based on the lowest common denominator of the world labor market—Hindu labor at 7, 10 and 14 cents per day, according to which locality it is hired.⁶

It is interesting that the economic ignorance which the above quotation reveals should be accompanied by the grammatical atrocities of its final sentence. It is difficult to say which would offend George the more.

The sad fact is that the organized labor movement in the United States is led chiefly by economic illiterates, whose plight is the more hopeless because so many of them are distinctly anti-intellectual. Only a few harbor those generous and liberal impulses which alone can ensure peace and justice, whether in the realm of economics, or in the field of international relations. For we suffer not alone from the darkness of our minds, but also from the hardness of our hearts, and before the leaders of American labor can do much for the establishment of any regime of which Henry George would have approved, they must repent and be born again.

The selfish appeals which labor leaders make to those who benefit from monopoly power are totally incompatible with the spirit and philosophy of Henry George. Labor leaders who pride themselves on being hard-boiled would merely scoff at the following advice from Henry George:

. . . to begin and maintain great popular movements it is the moral sense rather than the intellect that must be appealed to, sympathy rather than self-interest. For however it may be with any individual, the sense of justice is, with the masses of men keener and truer than intellectual perception, and unless a question can assume the form of right and wrong it cannot provoke general discussion and excite the many to action. And while material gain or loss impresses us less vividly the greater the number of those we share it with, the power of sympathy increases as it spreads from man to man—becomes cumulative and contagious.⁷

The belief that knowledge is enough has been, perhaps, the supreme folly of our age. Our blind faith in education has largely supplanted the equally blind faith which prevailed in the centuries of religious dominance. Was it for lack of knowledge that Germany, twice in a generation, broke

⁶ *Loc. cit.*, Aug. 1, 1943.

⁷ "Protection or Free Trade?" New York, Robert Schalkenbach Foundation, 1944, p. 317.

the peace of the world? The literacy rates in Germany and Japan are unexcelled, but where is there less worth the reading, or less time in which to read it?

It was to the everlasting credit of George that he presented his programs to the world with the ardor of a crusader. He urged their adoption not by appealing to the envy and cupidity of men, nor exclusively to their economic interests, but primarily to those fundamental principles of right and justice without which no world society, no nation, nor even any tribe can long survive. If the world's leaders had persevered in George's high ethical approach to the problems of our common humanity, we might have had not only peace but prosperity in our time.

Mills College

Japan and Western Europe, II*

A Comparative Presentation of Their Social Histories

By FRANZ OPPENHEIMER

II. The Type

IT WILL BE of advantage to sketch briefly the "ideal-typical"⁷⁰ development of a primitive State founded by primary herdsmen. This will provide a basis with which the peculiar history of Japan can be later compared.

I

THE CONQUERING TRIBE of herdsmen consists of a number of clans whose members descend or believe they descend from a common ancestry. The clans consist of a number of "large families," each comprehending three generations. The tribe and its head play but a very small part in times of peace; clans and families are much more independent than in other cultures, both politically and economically. The constitution is strictly patriarchal—there is not only patronymic heredity but real domination by the father.

The tribe divides into the three orders: the big owners of stock and slaves, called in the Bible the "princes of the tribes," the common freemen, and the slaves. There is, moreover, frequently an order of diminished freedom, a group of dependents (clients, in the Roman sense) who live in the court of the princes, mostly fugitives from other tribes threatened by blood-feuds. Sometimes, however, we find whole groups, of other race and profession, in organized alliance with the herdsmen, as for example the hunters who entered the country of the Nile with the Hyksos.⁷¹ Fustel de Coulanges, in his *Cité antique*, turned the full light of his attention on these interesting relationships. He finds that it is much more a mystical than a natural kinship which holds the groups together. With the Indo-Germans the dependents and even the slaves, and even the freedmen as well, belong to this "community of the sacred hearth-fire."⁷²

This is the arrangement of orders into which the tribe settles down after the conquest of its "Promised Land." The chieftains and the commoners form the nobility of this "State." The destiny of the conquered is differ-

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⁷⁰ Max Weber.

⁷¹ *System der Soziologie*, p. 262.

⁷² *Ibid.*, p. 391.

ent. According to the duration and stubbornness of the resistance, and so on, they become either slaves (Helots), or personally free Perioeks who nevertheless do not possess the full rights to citizenry. If the conquerors invade a State founded by other herdsmen, the conquered nobility is sometimes annihilated, but at other times it is adopted into the new nobility with complete or diminished equality.

The political form is at the beginning regularly a *polyarchy* of small and smallest States which have almost no coherence at all except certain honorary privileges of a supreme chieftain and frequently common religious festivals. A good example is offered by Palestine at the time of the "Judges," when not only the twelve tribes but also the Amalekites, Moabites, Philistines, etc., were completely independent from one another. The heptarchy of the Angles and Saxons in England is another very well-known example, and tiny Attika, with a surface of only about one thousand square miles, was originally divided between twelve kingdoms. Even in such puny islands as Keos (about 70 square miles) and Amorgas (50 square miles) there existed several "States," and on Crete there were at least fifty.⁷³

The next step is the formation of a larger, and frequently even of a huge unified empire. One of the chieftains wins the monarchy. Sometimes, but rarely, he achieves the throne by treaties, like that by which the thirty-five Lombardic Dukes, in a dangerous crisis, elected Autharis king. Nearly always, however, the accession is by war and murder. Clovis the Frank had to remove no less than *ten* of his peers in order to unite the two main tribes of the Ripuarian and the Salic Franks.⁷⁴ Historically, this unification signifies the origin of the *State* in its proper sense. Thus the Kingdom of the Pharaohs arose from the merger of the different cantons, the empire of Sinear in Mesopotamia from the independent townships, England from the heptarchy. And everywhere the victorious chieftain is regarded as the first king: Egbert of Essex in England, Walla in Gothic Spain, Borzewoy in Bohemia, Miesko in Poland, Oleg in Russia, Gorm in Denmark, Harald Farhagr in Norway, where almost every small valley had been an independent kingdom ("Fylki"), etc.

Therewith a period of unrestricted absolutism begins. It is characterised by the descent of the free commoners and the ascent of the conquered subjects, many of whom even attain nobility; whereas the old nobility of the free commoners, who originally were noble everywhere,⁷⁵ gradually

⁷³ Beloch, *Geschichte Griechenlands*, 1924, Vol. I, pp. 203 ff.

⁷⁴ *System der Soziologie*, IV, p. 460.

⁷⁵ Cf. *ibid.*, IV, p. 579.

disappears. This is why the bearer of the crown feels hemmed in by his old peers who continue to regard him as one of their own rank, as no more than the *primus inter pares*. He feels restricted in his pretension to absolute power and even menaced in his political position and personal security. Therefore he prefers to rely upon men out of the subjugated class, his guardsmen and civil servants, raised by him to rank and dignity, who are his in life and death, who can only stand and must fall with him. Mostly he imports still other, foreign, helpers, *viz.* the *priests* of a famous foreign religion, who are just as much dependent upon him, but are moreover useful by the superstitious fear they inspire in the people. This is why the rulers of the German States imported Catholic priests; those of the Slavic, Orthodox; of the Turks, Mohammedan; of the Chazars, Israelitic;⁷⁶ of the Chinese and Mongols, Buddhistic,⁷⁷ to be a "Black Police," as has been said half in jest. The old nobility of the chieftains or heads of clans disappears generally in this period. It is annihilated by murder and execution.⁷⁸

II

IN THIS PERIOD of the primitive large empire, the State is newly organized with the help of the new army and magistracy, and naturally on a territorial plan instead of on the basis of the original gentility. The independence of the clans must disappear as a step toward their suppression, but also because it is no longer possible to keep the clan, and still less the tribe, together in one district as soon as the stage of fixed residency is attained. The most famous examples are the reforms of Kleisthenes in Athens and of Servius in Rome abolishing the old order of gentility of the *Curiae* and *Phylai*. Charlemagne in Germany, Boleslav Chrobry in Poland, and Stephan in Hungary accomplished similar territorial organization of their kingdoms into *Grafschaften* (Counties), *Castellanics*, *Comitats*. The same political necessity occasions everywhere the same measures.

The large unified States originating in this manner disintegrate as quickly as they are formed. The central power is fatally compelled to foster the local powers which are to destroy it as long as there does not exist a regular organization of taxes and finances on a monetary basis. The King, Emperor, Pharaoh, Khan, or Khalif, etc., must entrust the full civil, military and juridical authority to the high officials he sends to rule the provinces in his name. To this purpose the governor must have disposal over the taxes and public services of his district. The Satrap, Harmost, Pro-

⁷⁶ *Ibid.*, II, p. 542, IV, p. 708.

⁷⁷ *Ibid.*, p. 16.

⁷⁸ *Cf. ibid.*, IV, p. 317, concerning the Vandals, Ostrogoths and Franks; p. 696, on Arabic Spain; 710, Bulgaria; 746, Bohemia; 750, Moravia; 800, Russia.

praetor, or Bailiff, etc., must generally be chosen among the large local landowners. If not, he will be one of them very soon by enfeoffment and by the use and abuse of his office. These *grande*s become at last so powerful that the central power can no longer count on their assistance with absolute certainty. They obtain heredity of their fiefs, and become gradually more and more independent territorial princes, especially if they are the governors of the far-off provinces, the "*Marches*."

This means the ruin of the remaining small free commoners, the peasants, who are robbed of their freedom and property through usury, military service, and abuse, whereas the serfs and slaves, upon whom the new seigneurs must rely, find their status improved. The two orders, which were at first separated by an unbridgeable gulf, meet halfway and merge into one unified class of half-free persons. This is the origin of the *Coloni* of the late Roman Empire, the "*Grundholden*" of Germany, the *Kmetes* of Poland, etc. They are lost to the central power as tax-payers and soldiers, weakening it as much as they enhance the financial and fighting force of their immediate lords.

The last nails in the coffin of the central authority are the succession-feuds arising among the princes of different maternal origin. The pretenders obtain the assistance of powerful magnates who, naturally, make their own conditions and squeeze out privileges and properties which spell the ruin of the central authority.

Disintegration is followed by renewed integration, either by a foreign conqueror who overruns the enfeebled reign or by the mightiest of the princes. Meitzen, in a remark strikingly laconic, gives the historical law: "The biggest landowners become emperors of Germany."⁷⁹

Obviously this alternation of integration and disintegration can be repeated several times, and Ratzel speaks actually of bubbles which appear and burst. Again and again the central power bleeds to death by giving away its wealth in landed property to the local magnates who must be bought at any cost.

The dynasty may remain in formal power through all these revolutions. Very often, especially where the caesaro-papism is strong, the heir of the legitimate ruling family is restricted to spiritual functions exclusively, while the whole of the temporal power is wielded by a "Mayor of the Palace." The "*patricii*," Aspar, Stilicho, Aetius, etc., stand beside the God-Emperor of Rome, the mayordomus beside the sacred king of Merovingian blood, in ancient Egypt Haremheb beside Amenhotep IV, the

⁷⁹ *Ibid.*, II, p. 527.

Huillcauma beside the Peruvian emperor of the Inca, the Sultan beside the Khalif, the Ingur beside the Khan of the Avars, etc.⁸⁰

This is the "magic circle" in which the primitive State is condemned to turn helplessly until taxes and finances are organized on a monetary basis which makes it possible to pay the officials and, therefore, to keep them in hand. Therewith the developed feudal State changes into the centralized absolutism which at last is ruined by exaggerated bureaucratism and financial insufficiency.

The issue is different according to the economic basis of the commonwealth. The States of antiquity, based on the work of slaves, were doomed to die of "galloping consumption" which not only destroyed the State but literally killed the peoples.⁸¹ Thereupon the countries were overrun by new tribes of fresh barbarians—Germans, Slavs, Arabs, Berbers, Turks. Modern absolutism, however, was abolished by the revolutions of the Third Estate and changed into constitutionalism politically and into capitalism economically. This was bound to occur the moment when the agrarian population, no longer bound to the soil, began to flow into the industrial cities, offering to the capital the condition of its existence: the disposal over practically unlimited numbers of working people dispossessed of all their own means of production.

We shall now consider to what extent the social evolution of Japan is in accord with this ideal-typical picture.

III. The Primitive Conquest-State in Japan

I

POLYARCHY CHARACTERIZES the beginning of the Japanese State, as is proved by a report in the annals of the older Han dynasty (226 B.C.—24 A.D.), that one hundred States existed in Japan in the year 108, about thirty of which were in communication with China.⁸² The annals of the younger Han (25—220 A.D.) report further that an ambassador from Ido-country appeared in the year 57 at the imperial court and received a seal. Ido is the old name of a district in the island of Kiushiu, and there, recently, a golden seal has been excavated bearing the inscription: "The Han to the king of the country of Ido."⁸³ Nachod supposes that in both cases we have to deal not with sovereign States but rather with independent chieftains. We must confess that we are unable to detect a decisive difference between the two concepts. In history, we must always be prepared to find extreme

⁸⁰ *Ibid.*, IV, pp. 512, 679.

⁸¹ *Ibid.*, II, pp. 484 ff.

⁸² Nachod, *loc. cit.*, p. 187.

⁸³ *Ibid.*, p. 89.

multifariousness at the beginning of a State. Assuredly many important changes must have taken place in the long period between these early contacts and the entrance of Japan into the full light of history. It is true that the Japanese legends tell of a great empire existing more than half a millennium before the reported events, since the year 660 B.C. This story, however, is no more credible than the Israelitic one that God created the world exactly so and so many years ago. Most probably the tale originated in the following way: The Chinese calendar was introduced in Japan in the year 600 A.D. To give the very young State the appearance of venerable age, the sages set the Chinese great cycle of 1260 years before the current date.⁸⁴ Further, it is certain that the tradition which originated exclusively in the victorious tribe, was here, as everywhere, perverted in its interest and to its glorification. Last, but not least, the legends tell clearly enough of the polyarchy out of which the Japanese State grew.⁸⁵

The victorious tribe, probably the younger layer of immigrants hitherto mentioned, possessing iron weapons which gave it superiority over the bronze-armed earlier immigrants, settled first in Kiushiu, subjugating through treaties and force other small dominions on this and on the main island. One of the most important of them was the dominion of Idzumo in the western part of the main island, which had to submit to the first "emperor," Jimmu. It, obviously, had been founded by invaders coming from Korea. The legends narrate that the "impetuous god" Susa-nowo,⁸⁶ the brother of the Sun-Goddess who is regarded as the ancestress of the imperial house, came from Silia, one of the kingdoms of Korea. The legends tell further of "rebellious gods" who resisted the unification for an extended period. Now, in the national Shinto religion, most of the gods are but deified ancestors,⁸⁷ and the name of the ancestor, the "Heros eponymos," is used everywhere to signify the tribe.⁸⁸ Another of the old legends relates that the grandson of the Sun-Goddess, who was the first to settle in Kiushiu, the ancestor of the first emperor, Jimmu, was accompanied by a great number of "serving gods." Their descendants, together with those of the chieftains absorbed later, formed the nobility of the Muraji, above whom, with a somewhat higher rank, stood the Omi, descended from the imperial family. All this, however, becomes fixed and official only after the introduction of the Chinese system of ranks (Ka-

⁸⁴ Gowen, *loc. cit.*, p. 35.

⁸⁵ Nachod, *loc. cit.*, p. 153.

⁸⁶ *Offenbar ein Sturmgott*: Sansom, *loc. cit.*, p. 21.

⁸⁷ Nachod, *loc. cit.*, p. after Sato, *loc. cit.*, p. 118.

⁸⁸ *System der Soziologie*, IV, p. 91.

bane).⁸⁹ One of these servant gods was the ancestor of the house of Nakatomi, called later Fujiwara,⁹⁰ who, as the supreme priests of the Shinto-cult and as Mayors of the Palace, dominated Japan's policy through several centuries. We know similar cases in the early history of the Germanic and Slavic tribes: Amales and Baltes were of the same rank, the former being the royal family of the Ostrogoths, the latter that of the Visigoths. With the Bavarians there existed five noble families of about the same social standing; in Bohemia the Slavnikings stood almost as high as the ruling Přemyslides.⁹¹ In all these cases, we evidently have to deal with mediatized princes of somewhat larger, formerly independent kingletdoms, merged in the greater whole.

II

THIS IS WHAT we can conclude from the pious legends. The content of the epic poetry is about the same. They tell that the emperor Jimmu, after having landed on the main island, had to fight against certain chieftains, some of whom he killed, whereas others were won over by treaties. Among these were the Ukashi, who later on appear among the hereditary princes of the country.⁹² Even then, the fourteenth emperor of the legendary list had to carry on heavy fighting against rebellious tribes of the same race⁹³ on his own home-island.

When the country enters the light of history, the emperor is hardly more than the *primus inter pares*, a chieftain among chieftains. "His chief duties were to conduct the ceremonies of religion, as the *pontifex maximus* of the nation, to declare war and to establish and abolish the Uji (clans) and Be (guilds)."⁹⁴

The organization is of completely gentilician character in patriarchal clans, the Uji, or Shizoku, consisting of several joint families who are descended or believe themselves to be descended from the same ancestor.⁹⁵ All magistracies, the small and the great, are under hereditary administration by the patriarchs.⁹⁶ Gowen writes: "During this period services in the nature of ancestor-worship constituted the most important function of the government; and official positions, both central and local, were hereditarily

⁸⁹ Nachod, *loc. cit.*, p. 211; Honjo, *loc. cit.*, p. 2 ff.

⁹⁰ Griffiths, "The Religion of Japan," New York, 1912, p. 390.

⁹¹ *System der Soziologie*, IV, pp. 746, 765.

⁹² Murray, *loc. cit.*, p. 55.

⁹³ *Ibid.*, p. 74.

⁹⁴ Gowen, *loc. cit.*, p. 64.

⁹⁵ Honjo, *loc. cit.*, p. 1.

⁹⁶ *Ibid.*, p. 3.

occupied by various leading families, even military service being performed by certain powerful houses supported by their followers.⁹⁷

The patriarch of the clan "had wellnigh absolute authority over its members."⁹⁸ Two bodies originally belonged to each Uji: "a body called Be or Tomo, and also another body called Yakko."⁹⁹ These latter are slaves belonging to the Uji; they are prisoners of war, either Ainu or persons captured in pirate raids, or criminals who are unable to pay the fine for theft,¹⁰⁰ or persons condemned to death for high treason and pardoned to slavery.¹⁰¹ Here, as in Europe, it is frequently the Church in whose possession they come.¹⁰² Slavery by indebtedness occurred as well.¹⁰³ Slavery was generally mild as patriarchal slavery usually is, compared with capitalist slavery.¹⁰⁴ The institution was abolished by law no earlier than 1699.

A still lower class of "untouchables" came into existence later on, the Eta, mostly comprising persons who had to deal with animal carcasses: butchers, tanners and similar professions. They were originally honorable; the emperor Yuriaku constituted a Be of the butchers, and as late as 493 another emperor organized the tanners.¹⁰⁵ Their degradation followed the introduction of Buddhism, which sanctions the life also of the animals.¹⁰⁶

III

THE BE AND THE YAKKO are the low people (Semmin), in contrast with the "good people" (Ryomin), allegedly descended from the hundred families, who, in obvious imitation of the Chinese model, are considered as the families originally existing. They are families "which had names, that is, the people, who, next after the provincial magnates (Miyatsuko), constituted the small gentry."¹⁰⁷ The low people had no family names and therefore no rank (kabane). It is the same relationship as the one between patricians and plebeians in ancient Greece and Rome. The upper-class citizens reproach the lower class, not because of unfree birth, but because they possess no family: "Gentem non habent," as is said in Rome.¹⁰⁸ It is

⁹⁷ Gowen, *loc. cit.*, p. 101, quoting J. E. de Befcker.

⁹⁸ *Ibid.*, p. 64.

⁹⁹ Honjo, *loc. cit.*, p. 2.

¹⁰⁰ Nachod, *loc. cit.*, pp. 214, 230.

¹⁰¹ *Ibid.*, pp. 107-8.

¹⁰² *Ibid.*, p. 219.

¹⁰³ Gowen, *loc. cit.*, p. 97. Frequently children were sold into slavery by their parents (Sansom, *loc. cit.*, p. 214).

¹⁰⁴ Cf. *System der Soziologie*, II, p. 419.

¹⁰⁵ Nachod, *loc. cit.*, p. 328.

¹⁰⁶ Nachod, *loc. cit.*, p. 357.

¹⁰⁷ Sansom, *loc. cit.*, p. 40.

¹⁰⁸ *System der Soziologie*, II, p. 393.

of the highest interest, if Gelzer's hypothesis is correct, that the origin of the Japanese plebeians is the same as in Rome. He believes the Roman plebeians were originally clients of the kings who were quartered in urban and agricultural settlements after victorious wars as serfs, but gradually attained a freer position and were acknowledged as citizens, though at first still without political rights.¹⁰⁹

The "Be" are an institution of the highest interest which, in this form, is found in no other country. Gowen, as mentioned, calls them "guilds," but they are not guilds in the proper sense, although closely related to them. They are rather comparable to the "magisteria" of unfree artisans which Rudolf Eberstadt discovered on the great manorial courts of early medieval Europe and believed to be the germ of the later free guilds.¹¹⁰ They show also, however, some traits of a caste: "*Chaque Japonais devait embrasser la profession que lui avient léguée ses ancêtres.*"¹¹¹ This makes them somewhat similar to the guilds of the late Roman empire, created by law as hereditary castes for the purpose of "leitourgical" compulsory performances.¹¹² They have, in other regards, a certain similarity to the clients and metoeks;¹¹³ they resemble the former, because they gradually adopted the name of their clan and "finally regarded themselves of the same ancestry as their chief, their claim being recognized by outsiders."¹¹⁴ The Be of higher social standing resemble the wealthy metoeks of the ancient world, especially those belonging to the imperial clan, the "Tomotsuko." Their first members were mostly "wise Chinese and Koreans whose immigration the emperors favored."¹¹⁵ In later times no less than 180 of these imperial Be are reported to have been in existence; among them were all skilled artisans, but especially the men possessing the art of writing, and the imperial guardsmen. Just as the Arabs were compelled to employ the Persians, and in their western provinces the Greeks,¹¹⁶ and as the Germans had to employ Roman scribes and clerks, before their own class of literates was developed,¹¹⁷ just so no progress was possible in Japan without a bureaucracy of Chinese officials. The Wani, one of the great families which had risen above the others before the unification of the empire

¹⁰⁹ *Gemeindestaat und Reichsstaat in der römischen Geschichte*, Rektoratsrede, Frankfurt a. M., 1924, p. 56.

¹¹⁰ *Magisterium und Fraternitas*, Leipzig, 1897.

¹¹¹ Hara, *loc. cit.*, p. 55.

¹¹² Sansom, *loc. cit.*, pp. 40-1.

¹¹³ Cf. *System der Soziologie*, II, pp. 391 ff.

¹¹⁴ Honjo, *loc. cit.*, p. 2.

¹¹⁵ Nachod, *loc. cit.*, p. 214.

¹¹⁶ *System der Soziologie*, IV, p. 675.

¹¹⁷ *Ibid.*, p. 414.

through Temmu, appears to have descended from the first writing master bearing this name, a Korean who was appointed teacher of the Crown-Prince in the beginning of the fifth century.¹¹⁸ Two others of these aristocratic Be are the Monoto-Be and the Otomo, both composed of warriors, "who had been first a sort of imperial body-guard,"¹¹⁹ but were, in later times, the officers of the guard.¹²⁰ The bulk of these families was constituted by Ainu and the previously mentioned Hayato, whose loyalty was proverbial.¹²¹ The fourth of these great families are the Fujiwara-Nakatomo, and the fifth an Uji Abe,¹²² the head of which perished in the rebellion of the year 1062.¹²³

Other Be's were half-free or full slaves. Thus, perhaps, they were the imperial executioners, barrow-men, etc. The groups organized for land settlement consisted completely of slaves, especially those groups which were sent to the country in memory of high-born persons without descendants, in order to constitute large feudal property in soil.¹²⁴ Their members were not related by blood, but they were nonetheless organized in Be,¹²⁵ as the gentilician arrangement was the only one known to the people. The same is true for pious fraternities, as for example for the lowest rank of Shinto priests, the Imi-Be,¹²⁶ the existence of which goes back to the most ancient times.¹²⁷

The more aristocratic Be probably were endowed with landed property or received it together with the slaves needed for its cultivation.¹²⁸ The less aristocratic, insofar as they were not sustained from the yield of the manorial management, possessed parcels of land,¹²⁹ on which, besides their industrial work for the Uji, they tilled or fished¹³⁰ on their own account.

In later times the foundation of new Be and Uji becomes an imperial prerogative. The Be are given into charge of great lords, either officials of the old or the new nobility appointed by the court, or descendants of the first master who immigrated from abroad, who, thus, constitute a new nobility¹³¹ beside that of the large landowners with whom they gradually

¹¹⁸ Nachod, *loc. cit.*, p. 215.

¹¹⁹ *Ibid.*, p. 216.

¹²⁰ Hara, *loc. cit.*, p. 75; Sansom, *loc. cit.*, p. 38.

¹²¹ Hara, *loc. cit.*, pp. 70-1.

¹²² Hara, *loc. cit.*, p. 81.

¹²³ Sansom, *loc. cit.*, p. 257.

¹²⁴ Nachod, *loc. cit.*, p. 289; Hara, *loc. cit.*, p. 73.

¹²⁵ Hara, *loc. cit.*, p. 75.

¹²⁶ Nachod, *loc. cit.*, p. 118.

¹²⁷ *Ibid.*, p. 251.

¹²⁸ *Ibid.*, p. 368.

¹²⁹ Hara, *loc. cit.*, p. 75.

¹³⁰ Honjo, *loc. cit.*, p. 66.

¹³¹ Sansom, *loc. cit.*, p. 36.

merge. The latter were originally free allodial owners of their land and, therefore, of its inhabitants, whereas the others were originally only the lords of certain Be's and, therefore, naturally of the lands appropriated to them. This relationship resembles somewhat that between the medieval lord of the manor and the bailiff or the lord possessing the justiciary authority.¹³²

IV

THE NEXT RANK below the nobles is represented by the freemen, the most respected class of whom are the landholders, Miyakko. Originally all of them were of the same rank, but growing differences of wealth and consequently of standing were bound to develop according to whether the chances of war and piracy were good or bad, and whether the sun of imperial grace was shining or not. They were, however, all of them, absolute, independent lords of their soil. They were not merely vassals on imperial property, like the Chinese landholders, as a later theory, in the interest of the imperial authority, intended it to appear.¹³³ Among them were very great magnates; the emperor had to assemble a mighty army to overcome one of them who had conquered almost the whole of Kiushiu.¹³⁴

Over this old aristocracy a new one arose not only from the freemen, but also from the lower classes. The highest rank is held by the Omi, of imperial, and the Muraji, of other "divine" blood, the former being mostly courtiers, the latter scions of the old sovereign families of Kiushiu and Idzumo.¹³⁵ One branch of each of these, the Uji, is regarded as the highest, and their patriarchs, the O-omi and O-muraji, are the leading hereditary dignitaries and members of the imperial council, together with other Omi and Muraji and, even yet in later times, of picked Miyakko.¹³⁶

The emperor, in this period, is seen to be still very restricted in his power, as is generally the case in the patriarchal stage of the primitive Conquest-State.¹³⁷ He was, as we said, hardly more than the first among his equals. The first chronicles tell of "chieftains in every locality who lead their men to battle and are seemingly the sole depositories of power, each in his microscopic sphere."¹³⁸

The dominion was still small. It comprehended originally the five home-provinces in the neighborhood of Kyoto and the peninsula of

¹³² Hara, *loc. cit.*, p. 72.

¹³³ Nachod, *loc. cit.*, p. 217.

¹³⁴ *Ibid.*, p. 218.

¹³⁵ Gowen, *loc. cit.*, p. 88.

¹³⁶ Nachod, *loc. cit.*, p. 219.

¹³⁷ *System der Soziologie*, II, pp. 310 ff.

¹³⁸ Nachod, *loc. cit.*, p. 219.

Yamato; but the West and even the island of Kiushiu, the cradle of the dynasty, were merely under nominal control, and the North of the main island, the Kwanto, was for a long time to come the theatre of embittered fighting against the Ainu. Griffis aptly compares the situation with that of the American settlers on the Indian border.¹³⁹ No earlier than in the second century of our era—that is, eight hundred years after the pretended foundation of the empire—was the neighborhood of modern Tokyo reached by the heroic prince Yamato Dake, as the legends narrate, and the warlike savages were not definitely subjugated until half a millennium later, by Yoshiye of the house of Minamoto under the reign of the emperor Hori-kawa.¹⁴⁰

Even in the described territorial nucleus the imperial domination was far from absolute. The reliability of the once independent chieftains, and even of the governors instituted by the crown, was here, as everywhere, inversely proportionate to the square of the distance from the seat of the government.¹⁴¹ Honjo writes: "Owing to the exceedingly inadequate means of communication available between the capital and the provinces it was extremely difficult for the central government to deliver its orders and to get them obeyed."¹⁴² From the "dark age," from which no reliable tradition exists, we are told of frequent rebellions of the more distant chieftains,¹⁴³ and we hear of the sanguinary solutions worked out here, as everywhere, to the question of the succession to the throne.¹⁴⁴ There existed no acknowledged law determining which of the sons of the deceased ruler was to be his successor. The elected needed only to be a male (female succession being a late novelty)¹⁴⁵ and of imperial blood. Primogeniture was frequently spurned, possibly to the advantage of the sons of the main wife. If the emperor died without direct heirs, the high dignitaries exercised the right of election.¹⁴⁶ Only six of the nineteen emperors of the gentilician era were the sons, while eight were the brothers of their predecessors. Adoption was not known in this period. Two of these emperors were murdered.¹⁴⁷

¹³⁹ Griffis, *loc. cit.*, p. 65.

¹⁴⁰ Gowen, *loc. cit.*, p. 121.

¹⁴¹ Cf. *System der Soziologie*, II, p. 421.

¹⁴² Honjo, *loc. cit.*, p. 10.

¹⁴³ Longford, *loc. cit.*, p. 47.

¹⁴⁴ *Ibid.*, p. 47. Cf. *System der Soziologie*, II, p. 520; IV, pp. 317, 462, and especially 688 concerning the notorious testament of Sultan Mohamed II, in which he orders his successor frankly to have all his brothers executed "in order to safeguard the peace of the empire."

¹⁴⁵ The first empress was Suiko, 593–628.

¹⁴⁶ Nachod, *loc. cit.*, p. 105.

¹⁴⁷ Nachod, *loc. cit.*, p. 234.

Under these circumstances intrigues naturally are concocted before, and bitter feuds break out after, most changes of rulership. They are "very frequent,"¹⁴⁸ and we also hear of "wholesale slaughters," series of murders reminding us of the house of the Tantalides. Yuriaku (457-479) ascended the throne over the bodies of two brothers and another entitled relative; and Muretsu (499-506) left a reputation almost equally bad.

At this stage of development the ruler exercises control immediately only over the domains of his own house and their inhabitants. All the other lands and their inhabitants submit to him only mediately, as to the overlord of the landowners and group masters "who had under their direct rule their respective regions and peoples."¹⁴⁹

This primitive system could last in Japan as briefly as in all the other instances. "It became impossible for people belonging to the same Uji to live in one and the same district to the exclusion of all others, and a commingling of those belonging to different Uji became unavoidable."¹⁵⁰ Honjo, in the investigation quoted, adduces as an earlier cause of the reform that Confucianism and Buddhism, entering into Korea from China, created a spirit of individualism no longer consistent with the co-operative spirit of the clan. But he penetrates unconsciously to the deepest foundations of this altered mentality in saying, that, above all, the increasing desire of the noble classes "could no longer be satisfied by the system." Wherever gross, class-forming disparity of economic position arises, there the co-operative spirit is doomed to disappear.¹⁵¹ Therefore, from this cause also, the territorial organization had to replace the gentilician order.

(Continued)

¹⁴⁸ Hara, *loc. cit.*, p. 81.

¹⁴⁹ Honjo, *loc. cit.*, p. 4.

¹⁵⁰ Honjo, *loc. cit.*, p. 6.

¹⁵¹ Cf. *System der Soziologie*, III, p. 675.

Anniversary Note, 1944

THE PAST YEAR was full of mechanical and transport difficulties for us. This has delayed THE JOURNAL's publication schedule at times, but I am happy to report that our readers have borne this with remarkable patience.

In this respect we had our full share of the problems that are plaguing our contemporaries. But in other respects we have been more fortunate.

The dearth of acceptable manuscripts which other editors mention in their reports has not struck us yet. Indeed, our space has proved inadequate for the minimum amount of material we must print in order to report upon the more important studies that are being pursued by our collaborators in the interest of co-operation among the various social sciences and related disciplines for the construction of a rational social and economic organization. (For the time being we are accommodating additional papers by using a smaller but a readable type in a greater part of the magazine.)

Partly, of course, this happy situation occurs because the times have presented challenging problems to our collaborators, problems best suited to their approach. We are entering a period, I think, when we can say that now or never will ethical democracy triumph.

But equally important as an explanation is the method by which our editors and advisers collaborate with the associated scholars. Most of our studies are nurtured from conception and formulation through investigation and the stage of report by at least one and usually several of the members of THE JOURNAL's board. This work THE JOURNAL's editors have carried on without stint in spite of their other obligations. Their record is one that gives us profound satisfaction.

Thanks to the policies laid down and the vigilance exercised by the officers of the business board headed by Mr. Otto Dorn, and to the wholehearted co-operation of the directors of the Robert Schalkenbach Foundation, our sponsors, headed by Mr. Lawson Purdy, president, and Miss V. G. Peterson, executive secretary, our finances are in sound shape and permit us to contemplate expansion of our work when military victory is achieved.

Our progress is spotty, of course, due to the war. But all of us, readers, contributors, advisers, officers and editors, have done our share to carry the work forward. That we have done so well in spite of war-time difficulties is, to my mind, one of the auguries of the ultimate triumph of the democratic faith that motivates us.

W. L.

British Liberalism and the Idea of Social Justice

By FRANCIS H. HERRICK

POLITICAL AND SOCIAL IDEAS played a peculiarly important part in shaping British institutions in the century between Waterloo and the Great War of 1914. The utilitarian theories of Jeremy Bentham and his Radical followers, the free trade doctrines promoted by Richard Cobden and the Anti-Corn Law League, the evolutionary socialism of Sidney Webb and the Fabian Society are classic examples of concepts which profoundly affected the course of British history, and which cannot be explained in purely material terms. The current fashion may be to emphasize the interplay of economic interests represented in parliament and consider reform legislation in terms of the pressure of special groups, but the great debates in the Commons and in the country were held in terms of the basic principles of government. Economic interest was a factor that only the blind could fail to recognize; but the great reforms which moulded British institutions into their present shape can be understood only in connection with the general ideas from which they grew.

The influence of theory on politics was particularly significant in the early years of the twentieth century, when the great social reforms of the Liberal party laid the foundations of a new—and yet thoroughly British—social unity, the strength of which was tested in the first world war and in the great depression, and won universal admiration after the military collapse of Dunkirk. Between 1906 and 1911 as much important legislation was placed upon the statute books as in the six years from 1832 to 1837. Among the more significant laws were the Trade Disputes Act and the Workman's Compensation Act of 1906, the Old Age Pensions Act of 1908, the Labor Exchange Act, the Children's Act and the Housing and Town Planning Act of 1909, and the National Insurance Act of 1911. Although this mass of detailed social legislation was put into effect piece-meal, it was the coherent result of years of discussion and agitation. It was based on a considered view of the State and society. The laws have been described many times, and the circumstances of their passage are recorded in detail. Yet, curiously enough, little effort has been made to connect social reform with the acceptance of new political ideas.¹

¹ The only serious attempt is the important work of the late Charles W. Pipkin, "Social Politics in Modern Democracies" (2 vols., New York, 1931), which incorporates and expands his earlier work entitled "The Idea of Social Justice" (New York, 1927). It is a mass of well ordered detail, illuminated with many careful judgments, but the

I

CONSIDERATION OF THE "SOCIAL PROBLEM," as it was seen at the time in Britain, and the Liberal party, which was the instrument of the reformers, is necessary to an understanding of the great period of social reform. The social problem, in brief, was that created by the concentration of propertyless people in the centers of industry. The problem itself was old; what was new was the social approach to it.

In the nineteenth century, urban poverty had been regarded, in general, from three different points of view. *Political justice*, as defined in the equalitarian formula "one man, one vote," seemed to the early Radicals the means of dealing with the problem of poverty along with the other ills of society. The natural opposition of the privileged classes was strengthened by fear of riot and revolution, but it was not unyielding. The great Reform Acts of 1832, 1867 and 1884-5 established effective manhood suffrage in a gradual and orderly fashion. The concept of *economic liberty*, so well expressed by Adam Smith, was promoted as a direct cure for urban poverty through cheap food as well as through encouraging commercial and industrial expansion. Again special interests were overcome. Huskisson's reforms at the Board of Trade, the repeal of the Corn Laws, and Gladstone's budgets eliminated piece by piece most of the restrictions of an outworn mercantilism. A third approach to the problem was inspired by the concept of prosperity as the reward of personal industry and virtue. The supporters of *moral improvement* worked in many ways. The evangelical revival, Christian socialism, the temperance movement and the Salvation Army may seem to have little in common at first glance. Yet these movements and many others sought the regeneration of men lost in the poverty and degradation of the slums. Those who associated human misery with reckless sin and lost souls were ready to believe that Christian charity on the part of the rich and Christian sobriety and industry on the part of the poor were the only solution of the problem of poverty. The moral reformers, working through many different and often rival organizations, never seemed to achieve their goal, but their efforts influenced Victorian society quite as much as the legislative triumphs of the political and economic reformers.

original thesis—that of the close relation of the concept of social justice and social legislation—fails to develop and is ultimately lost in the author's erudition. The *Encyclopedia of Social Reform* (New York and London, 1908) and "British Social Politics (New York, 1913), a source book edited by C. J. H. Hayes, give the principal laws in convenient form. The best recent descriptions of the National Insurance Act of 1911 in operation are: Percy Cohen, "The British System of Social Insurance" (London, 1932) and Mary Barnett Gilson, "Unemployment Insurance in Great Britain" (New York and London, 1931).

As the nineteenth century drew to a close, Victorian satisfaction with the general wealth and power of Britain was tempered with growing concern over the obvious increase of the impoverished masses, hopelessly engulfed in city slums. The books of men like Canon Barnett and Robert Blatchford and surveys which culminated in the publication of "Life and Labour of the People in London," the monumental series edited by Charles Booth, painted vivid, detailed, accurate and appalling descriptions of the condition of the poor.² Neither political enfranchisement nor economic liberty could any longer be regarded as solutions; both had been achieved to the limit of practical possibility and the slums were still growing. Nor could the moral reformers feel any more confident. The men who worked among the poor in establishments like Toynbee Hall realized that their efforts could only alleviate conditions which were beyond control by voluntary methods. As the old Radical doctrines of individualism gave way before what A. V. Dicey called "collectivism," or even socialism, the poverty of the slums ceased to seem a regrettable evil and became a social injustice.³

The concept of social justice grew out of the recognition of social injustice. The literature of twentieth century Liberalism was filled with references to the former, yet the concept was neither analyzed nor carefully defined except in a negative sense. Injustices were concrete; to practical Englishmen their existence was enough to justify a remedy, and they were not too concerned about theory if the remedy would actually remove what seemed wrong. Social justice was neither divine justice nor natural justice nor the man-made justice of the common law. It certainly was not economic equality. It implied rather the morality of a self-conscious community, and particularly its middle class members.

The ordinary Liberal seems to have thought in approximately the following terms. In a truly just society, the individual should be free to develop his good qualities. Labor should be transformed efficiently into comfort, health and happiness. But the society of Victorian England, though integrated enough to possess a conscience, was not so perfectly

² Canon Barnett, one of the founders and the first warden of Toynbee Hall, published a number of works, of which "Practicable Socialism" (1888) and "The Bitter Cry of Outcast London" are good examples. Blatchford's "Merrie England" (1894) went into numerous cheap editions and was read by millions. Booth's survey appeared between 1891 and 1903, incorporating materials published in 1889 under the title "Life and Labour." Much of the inspiration of these and similar British works came from Henry George and Edward Bellamy.

³ Dicey used the term "collectivism" in a series of lectures given at the Harvard Law School in 1898 and published in revised form in 1905 under the title: "Lectures on the Relation of Law and Opinion in England during the Nineteenth Century."

unified that all its members understood or responded to the promptings of the community conscience. Each class had its appropriate place in the community. If the majority of citizens felt that a particular group suffered hardships which were not the fault of its individual members and could not be removed by their individual efforts, parliament should devise an appropriate legislative remedy. Liberals were ready to trust the sense of justice of the majority. They also recognized that social legislation, unlike *laissez-faire* legislation, was not final, for constant adjustment was necessary to maintain a just balance in society. Social justice expressed itself, therefore, in a developing code of laws designed for the individual good, especially insofar as it concerned health, education, conditions of labor, and security in old age and periods of unemployment.

The paradox of social justice was that it could be generalized only by becoming specialized. Sincere though possibly illogical humanitarians had long recognized the practical necessity of making exceptions to theoretical individual freedom in the Factory Act of 1834 and the Education Act of 1870. The underlying philosophy of the former Act was not that a child of twelve working more than forty-eight hours a week in a factory committed an offense, but that society committed a wrong in permitting it. Nor was it an offense to be illiterate; the wrong came when a child was allowed to grow up without schooling. These two Acts were the principal precedents for placing welfare above individual freedom when state intervention and compulsion seemed the only way to protect children. But this legislation, though conceived in terms of the general welfare, took the form of separating certain elements of the community, defined in terms of age and sex, and conferring special benefits upon them.

What had succeeded for the child pointed the way for adult society. Should not other exceptions be made in behalf of the aged and the unemployed? From this point of view the social problem was the problem of designing and establishing the special public controls necessary to ensure social justice. In 1902, J. A. Hobson asked: "Given a number of human beings, with a certain development of physical and mental faculties and social institutions, how can they best utilize their powers for the attainment of the most complete satisfaction?"⁴ The answer was social legislation. The powers of the state were to be invoked, but not because of belief in the omnipotence of the State, for the purpose was individual welfare.⁵

⁴ J. A. Hobson, "The Social Problem," London, 1902, p. 7.

⁵ Francis H. Herrick, "Men and Classes in Contemporary England: A Discussion of the Trend of Social Legislation up to the General Strike," *Proceedings of the Pacific Coast Branch of the American Historical Association*, 1927.

II

THE LIBERAL PARTY made social legislation a political possibility. Since its formation after the Reform Act of 1832, the party had drawn inspiration from the Whig doctrine of civil and religious liberty, philosophical radicalism and the Nonconformist conscience. Under Gladstone it was the instrument for many reforms until, at last, it was torn apart in 1885 over the question of Irish Home Rule. Except for one short break, the Conservatives remained in power for the next twenty years. Until the retirement of Gladstone and his successor, Lord Rosebery, in 1896, the party "plowed the sands of Home Rule." After Sir Henry Campbell-Bannerman succeeded to the leadership, however, the party was gradually transformed. A new generation of Liberals represented by Herbert Asquith, David Lloyd George and Charles Masterman recognized the existence of the social problem and moved the party slowly but steadily in the direction of a program of social reform. As the century drew to a close, labor sought to push Liberals farther along this road, Conservatives charged Liberals with becoming socialists, and the issue of imperialism brought to a head by the Boer War added further confusion to the Liberal ranks.

The foundations of the Labor party were laid in this period of Liberal confusion. Under the influence of Sidney Webb and the Fabian Society, most British socialists accepted the "inevitability of gradualness." Keenly aware of the social problem and never much interested in Marxian dialectic, they found ready allies in the trade unions, which were more interested in immediate social improvement than the class struggle. They were concerned with specific grievances and material benefits rather than social theory. An anonymous but well-informed writer on labor history stated bluntly: "Labour, meaning the mass of the industrial population, cares nothing for socialism. It wants what everybody wants, and that is as much as it can get; it wants a larger share of what is going, and will get it no doubt, by degrees."⁶ Trade union leaders and evolutionary socialists, however, were in agreement on the need for immediate social legislation and for the direct representation of the working classes in the House of Commons. The result was the formation of the Labor Representation Committee in 1900 with Ramsey MacDonald as secretary. The Committee included the Fabian Society and the Independent Labor party—the Marxian Social Democratic Federation supported it only for a short time—as well as the Trade Union Congress. The socialistic group provided

⁶ *The Times* (London), Feb. 10, 1906.

intellectual leadership and a socialist program; they wanted a separate party and were the moving spirits of the independent parliamentary organization created in 1906.

Nevertheless, the political organization of labor remained for some time under the Liberal party umbrella. The new Liberalism needed the voting strength of labor, and was obviously more likely to provide immediate benefits than an independent socialist party. The Taff Vale judgment of 1901, which exposed trade union funds to actions for damages suffered during strikes, forced the unions to consider their problems in terms of labor legislation. Practical advantage led to a working alliance. Liberal party managers made it possible for the Labor Representation Committee to put forward working class candidates in certain constituencies with Liberal support. The considerable group elected in 1906 sat on the Liberal side in the House of Commons, and the increasing numbers returned in succeeding elections were listed in the *Liberal Year Book* until 1918. Although the Labor party was theoretically independent after 1906, direct labor representation introduced not only working men but an element of socialism on the Liberal side of the House. In a letter to *The Times*, "A Liberal Voter" summed up the situation in these words:

It is idle to deny that there is an appreciable leaven of Socialism in the great majority that will shape the policy of the new Parliament. But that policy will not be the policy of Socialism. . . . It will probably be a policy of social amelioration and adjustment, and there are many Liberals among us who would not care a button for it if it were not.⁷

In spite of this connection with the socialist labor group—which represented only a small proportion of the working classes—the Liberal party was working out its own program of social reform when Conservative dissension returned it suddenly to power. The uncertainties and confusions within its ranks and those of its allies were resolved when Joseph Chamberlain forced the issue of tariff reform on the Balfour government. Parliament was dissolved late in 1905. Whigs, Trade Unionists, Radicals, Irish Nationalists and even a Conservative group led by Winston Churchill rallied with the rank-and-file Liberals in support of free trade. The result was a Liberal landslide. 379 Liberals, 83 Irish Nationalists and 51 Labor members, of whom 29 were pledged to sit as an independent party, were opposed by only 157 Unionists.⁸ Sir Henry Campbell-Bannerman could form a government independent of Home Rulers and Socialists and proceed with a program stemming from the Liberal center of his party.

⁷ *Ibid.*, Jan. 30, 1906.

⁸ *Ibid.*, Feb. 16, 1906. In some calculations, two of the Liberals were counted as Labor members.

It was the most striking shift in political power since 1832. The Liberal position was similar in many other ways to that of the Whig government in 1832. Liberal ministers and members, the Labor wing and the socialist intellectuals in 1906 held positions parallel to those of Whig ministers and members, the newly elected reformers and the philosophical radicals in 1832. After 1906 the Liberal government pushed through social legislation satisfactory to labor without accepting socialist theory just as the Whigs effected many reforms satisfactory to radicals without accepting utilitarian doctrines. Some Liberals felt that concessions were necessary to forestall a social revolution much as some Whigs became reformers to prevent a political revolution. In both cases the traditional institutions of the country were strengthened; the extreme hopes of philosophical radicals and socialists were unfulfilled. Neither the Whig nor Liberal parties were strengthened by their achievements. Only a few years after Lord John Russell announced the finality of reform in 1837, the Whigs had ceased to be an independent political force. Some were merged into the new Liberal party; others drifted over to the Conservatives. Asquith brought social reform to an end when he took up Irish Home Rule after the election of 1912, and this too was postponed by the outbreak of war in 1914. When peace came the Liberal party was divided and powerless. Finally, Liberals and Whigs alike have been charged with being political opportunists, swept into office by popular movements which they did not quite understand, and ultimately destroyed when they refused to recognize the socialist or, in the case of the latter, the democratic implications of the reforms which they initiated.⁹

Both parties may be acquitted of the charge. The Whigs stand in no need of vindication, for they not only made history but wrote it. Liberals did as much in the age of Gladstone, but the final and in some ways the greatest period of British Liberalism has been left in unfriendly hands. The history of the years from 1906 to 1914 has been left largely to the diplomatic historians; Conservative or Socialist writers have usually applied their special views to the interpretation of the period with little

⁹ A recent statement of the case against the Liberals by Reginald Maudling is in many ways the best, and is worth quoting even though the writer disagrees with it. "The people, their struggle against political privilege won, turned next to the complementary struggle against economic privilege. But the Liberal Party, that had drawn much of its strength from the political affinity of equality and liberty, and had won the former in the name of the latter, was inherently incapable of facing a situation in which they were incompatible. The trumpets of individual liberty might have caused the fall of the mighty walls of political monopoly, but it was soon apparent that they would echo in vain against the stronghold of economic monopoly. A new and more powerful weapon was needed; in Socialism it lay to hand." (*Spectator*, Nov. 12, 1943, p. 452.)

consideration for what really happened. The facts are too distant to be remembered, yet too recent to have been established in a recognized pattern by the careful procedures of historical research. Campbell-Bannerman is nearly forgotten; Asquith and Lloyd George are remembered more for their rivalry in the war of 1914 than for their early collaboration. Yet the question of social reform dominated public discussion in the years before the first world war in the same way that questions of economic organization held the center of the stage before the second world war. The level of debate in parliament and in the press was extraordinarily high. Even today it repays careful study, for it reveals a clear and significant Liberal philosophy, neither radical nor socialist, which helped to create what has been called the "welfare state" and which still influences the course of British history even though the party which upheld it has practically disappeared from the political scene.

III

WHAT WAS THIS new Liberalism? The party of Gladstone was inspired by a belief in individual liberty within the national State. It sought the gradual achievement of a community of enfranchised and educated citizens, each with the greatest possible freedom in the buying and selling of goods, and in the profitable management of property. Since this sort of progress was the summation of individual strivings and property was over the years the accumulating reward of individual industry and probity, Liberals supposed that the State should be the guarantor of personal and property rights rather than an active participant in progress. Ideally its functions would be limited to the maintenance of law and order at home and national interests abroad. Extension of the suffrage, elimination of restrictions on commerce and industry and on religious groups, low taxation, a balanced budget and foreign peace were the appropriate objectives of statesmen.

The major premises of Liberalism were too firmly established to be questioned when the intrusion of the social problem forced a new generation of Liberals to adjust their views to the actual condition of the world. Unlike the socialists, who rejected altogether the principle of *laissez-faire* at home, the new Liberals sought the solution of the social problem in the reservations always attached to their party principles. It had always been recognized that the safety of the State and the moral foundations of the State must not be impaired in the course of achieving the ideal community. Political progress could not be more rapid than the moral de-

velopment of the ordinary man without danger, any more than Britain could go forward alone in a reactionary or impoverished world. The ignorant must not be enfranchised. Certain trade restrictions must be maintained in a world of tariff barriers. The police must be effective just as the navy must be strong. In short, the resources of the civilized State must always include ultimate overwhelming power, and overwhelming moral force could not replace physical force—although this might be the ultimate goal—as long as the adversaries of moral authority were strong. The State socialism of Bismarck's Germany had clearly increased both the well-being of the people and the strength of the Empire. As the nineteenth century drew to a close, British Liberals were as certain as Conservatives that the power to effect a similar program existed in parliament. Neither party saw constitutional obstacles to social legislation which did not impair national safety or individual rights.

The Liberal difficulty was that national safety was not at issue, though British complacency was jolted by the early defeats of the Boer War. Britain as a whole was powerful in spite of the impoverished masses in the slums. If the party had proposed a policy of State socialism, copied from the German model, on the ground that old principles had to be abandoned in order to compete with rival countries, the result would have been more disastrous politically than Joseph Chamberlain's campaign for Conservative tariff reform. Nor were individual rights, in the old sense, at issue. The poor enjoyed the protection of the law, the right to vote, freedom of speech and religion. But could they be said to enjoy social justice when willingness to work might not bring employment, when there might be no choice between miserable and even dangerous working conditions and the poor house, when a lifetime of labor might lead only to a penniless old age? Did not the British workingman have a moral right to wear leather shoes and eat beef, if only to raise him above the continental laborer? Surely it was a national duty to maintain the ideal of a strong, hearty people who, like W. S. Gilbert's Bill Bobstay, would remain jolly Englishmen "in spite of all temptations to belong to other nations."

The idea of social justice insinuated itself into the minds of the new Liberals. It grew stronger and clearer as the nineteenth century drew to a close. The exceptions and qualifications of the old philosophy, already embodied in the Factory Acts and Education Acts, and so ably put by Samuel Plimsol in his agitation for regulations ensuring the safety of British seamen, became the precedents for a new philosophy. The idea

of individual freedom metamorphosed into the idea of social justice, which finally emerged as the guiding principle of twentieth century Liberalism.

Social justice meant social legislation, and social legislation meant not only recognition of the existence of class distinctions, but class discrimination. When the Liberal party came into power in 1906, its first measure was a Trade Disputes Bill, which defined trade unions and specifically exempted them from the general laws governing corporations which, according to the Taff Vale judgment, made them liable to claims for damages suffered as the result of strikes. The debate was the crucial one for the whole series of measures which followed. In the Commons the large Liberal majority made the result a foregone conclusion, but in the Lords the issue was uncertain. Speaking for the Government, the Bishop of Southwark met the Conservative argument against class legislation squarely with the Liberal argument in behalf of such legislation when it furthered social justice.

We have heard it tonight very eloquently said that justice is at stake, and that we are asking for the working classes what places them in an entirely privileged position. For my own part, I have a very strong belief in the sense of justice in the working classes, and I believe that when they are asking for the things they are asking here they have in their mind a clear and plain answer to that plea and challenge of justice. What I conceive it would be is this. They would say that in the general poise and balance of the forces of society they have that against them which can only be rectified by some such immunity as is here asked for.¹⁰

In reply the Marquis of Lansdowne summed up the Conservative position.

We are a democratic country, we are a democratic Party, we are a democratic Parliament. But are you not proposing class privileges? In the old days of our law these immunities of class existed. They were the privileges of the aristocracy, and they have been abolished. Do not let us create a privilege for the proletariat. . . .

I shall not vote against the Bill. I regard it as conferring excessive privileges upon the trade unions, as conferring dangerous privileges on one class and on one class only, privileges in excess of what the most trusted exponents of their views have formerly asked for, privileges fraught with danger for the community and likely to embitter the industrial life of this country, but I hold also that it is useless for us, situated as we are, to oppose this measure.¹¹

The Trade Disputes Act and the circumstances of its passage set a pattern for the complicated social legislation which followed. In general

¹⁰ *Parliamentary Debates*, 4th Series, Vol. 166, p. 721.

¹¹ *Ibid.*, pp. 698, 703.

each measure defined a class of people, formulated certain regulations which applied to them and to them alone, and then designated the authorities charged with the execution of the Act. For example, the Old Age Pensions Act of 1908 defined a class of persons over seventy years of age, having been British subjects over twenty years, and not having annual incomes in excess of 31 pounds 10 shillings, and provided pensions for them to be administered by local pension boards under control of the Local Government Board. Again, the Trade Boards Act of 1909 mentioned certain trades such as wholesale tailoring and paper box making, in which sweated labor conditions prevailed, and provided that certain minimum time and wage rates should be fixed for them by various trade boards under control of the Board of Trade. Conservatives objected to these measures on the ground that they conferred privileges on certain classes or increased the burden of taxation borne by other classes, but refrained from using their majority in the Lords to block the measures.

At the same time Liberal writers were developing and popularizing the theory that social justice would be served by continued social legislation. They emphasized that the new Liberalism was not motivated by any desire to maintain or secure the dominance of a particular group or to subordinate all classes to the socialized State, but to balance the positions of different classes in accordance with an ethical system. As Asquith put it, property was to be associated in the minds of the masses of people with the idea of reason and justice. One of the clearest statements was made by J. A. Hobson:

Liberalism is now formally committed to a task which certainly involves a new conception of the State in its relation to the individual life and private enterprise. That conception is not Socialism, in any accredited meaning of that term, though implying a considerable amount of increased public ownership and control of industry. From the standpoint which best presents its continuity with earlier Liberalism, it appears as a fuller appreciation and realization of individual liberty contained in the provision of equal opportunities for self-development. But to this individual standpoint must be joined a just apprehension of the social, *viz.*, the insistence that these claims or rights of self-development be adjusted to the sovereignty of social welfare.¹²

In 1909, the Conservative retreat stopped when the Government took up the land problem under the leadership of Lloyd George, and proposed to force the division of large estates by heavy inheritance taxes. It was

¹² J. A. Hobson, "The Crisis of Liberalism: New Issues of Democracy," London, 1909, p. xii. Other statements of the new Liberalism were: Percy Alden, "Democratic England," New York, 1912 and C. F. G. Masterman, "The Condition of England," London, 1909.

a departure from the previous policy of social reform. Instead of levelling up the lowest classes by special legislation, Lloyd George proposed to level down the landed gentry by provisions in the budget. Conservative peers rallied and threw out the budget in the Lords. A general election was forced, and the Liberal majority in the Commons was cut to the narrow margin of three votes. The Asquith ministry immediately took up limitation of the powers of the upper house, and pushed it through, although the second general election of 1910 failed to bring a larger Liberal majority. Dependent upon the Irish members, Asquith was forced to take up Home Rule and begin a bitter struggle which soon overshadowed all other questions.

Despite these controversies, social legislation continued to be enacted. The long projected National Insurance Act, providing benefits both for sickness and unemployment, became law in 1911. The Coal Mines Act of 1912 fixed a minimum wage for workmen employed underground, and a new Trade Disputes Act in 1913 reversed a court decision that union funds could not be used for political purposes. All these measures conformed to the pattern of defining a class and granting special privileges; all were criticized as class legislation but not voted down by the Conservative majority in the Lords. Yet the period of social reform was drawing to a close. Reactionary movements, labor unrest and strikes were growing when the Great War of 1914 pushed all domestic issues aside and ultimately shattered the Liberal party.

IV

THE NEW LIBERALISM permanently influenced British society even though its period of power was brief. The whole country came to accept its underlying theories. The less fortunate classes could no longer be regarded only as separate individuals, some of whom were worthy and hence deserving of charity, and the rest the inevitable poor. Equality before the law on earth and equality before God in Heaven no longer seemed enough. Both Conservatives and Socialists agreed with Liberals that the social and industrial system of England had impersonally depressed whole classes, and that it was a matter of social justice to improve their position. Conservatives might be reluctant to accept the new class legislation, but they bowed to the majority and recognized the permanence of the measures which were enacted. Socialists supported the new measures, which seemed to them in line with the gradual achievement of the socialized State, even though they realized the ultimate incompatibility of their views and

Liberalism. By 1914 doubts as to the use of direct political power to ameliorate poverty had ceased to exist. Legislation in behalf of special classes was universally acceptable so long as it accorded with the idea of social justice, and differences of opinion were concerned primarily with the degree of justice embodied in the provisions of the long and complicated measures already enacted.

At the same time a new relationship was established between the working classes and the State. The technical divisions among workers created by social legislation undermined the socialist conception of a single class struggle. The lower classes were keenly aware both of the benefits to which they were entitled as a result of accidents, sickness, unemployment and old age, and of the differences between economic, occupational, sex and age groups. They were no longer on the same low level in their relations with agencies of government, yet they all had in common a direct personal interest in the stability of the political State. It was no accident that the progress of social reform was accompanied by an equivalent recession of the idea of revolution as a factor in British history.¹³

The Liberal party was not essential to the maintenance of the social reforms which it brought into being. Social legislation was necessarily long and complicated. Collection of pertinent information, drawing up detailed legislation and then administering it effectively required a great number of specially qualified civil servants. A small but active and intelligent vested interest in social legislation was created. In spite of differences in views and methods, and rivalry between government agencies, a sort of professional solidarity was bound to develop, particularly in the upper ranks. As planners and administrators, they necessarily believed in the increasing intervention of the State in behalf of social justice—the attainment of which might be their despair but the pursuit of which was their livelihood. As civil servants they were independent of the vicissitudes of politics. When the Liberal party faded away, its basic philosophy was accepted in the country and its social legislation was in the hands of an active and growing civil service. Although it might not reap the credit, British Liberalism in its final phase established the “sovereignty of social welfare” and raised the framework of the modern welfare State.

¹³ Francis H. Herrick, “Social Reform and Social Revolution,” *Social Forces*, Vol. X, No. 2, Dec., 1931.

Anglo-American Co-operation in the Caribbean

THE WORK of the Anglo-American Caribbean Commission, the joint agency of the English-speaking allies to foster co-operation in the solution of the social and economic problems of their possessions and colonies in the Caribbean area, has received little attention in the American press. In reviewing it in the Fall, 1944, issue of *The Antioch Review*, S. Burns Weston, formerly executive secretary of the agency, renders an important service.

Set up two and a half years ago, the commission has developed a rounded program, so comprehensive as to defy comment in limited space. The economies of these possessions and colonies are basically agricultural, however, and it is worthy of notice that the commission's approach to the agricultural problems of the area is remarkably forthright and realistic.

In the ten-point agreement of 1942, confirmed by diplomatic exchange, it was acknowledged that "generally speaking, a single-crop economy based upon sugar is undesirable." While no agreement was reached on the crucial problem of land tenure, the commission disclosed in its first joint report of Jan. 1, 1944, that it had given preliminary consideration to this matter. At the Barbados conference of March, 1944, the committee on public works, one of its seven committees, directed the creation of regional planning boards with the following agenda:

"Each regional board should prepare a detailed planning survey of living conditions, applied to maps which show such factors as: land use; land ownership and value; communications and traffic densities; population densities; overcrowding conditions; structural conditions of buildings; public services and community facilities."

The committee on local food production considered holdings for small settlers, and government acquisition of land for food production which is not used intensively in the public interest, among other things. The committee on expansion of fisheries, which complement agricultural undertakings, recommended encouragement of marketing schemes and provision of educational facilities, including the appointment of fishery officers, for fishermen.

This is a practical approach to the actual problems of the area and it goes to the heart of its troubles. As Mr. Weston reports, "a foundation for effective regional and democratic action is being laid." Mr. Charles W. Taussig and Sir Frank Stockdale, the co-chairmen, and their associates in the commission are to be congratulated on an effective beginning.

W. L.

The Place of Gestalt Theory in the Dynamics of Demand

By ELIZABETH E. HOYT

IN THE PAST, the leading theory of consumers' demand has been that of the decreasing marginal utility of identical units, or the increasing elasticity of substitution. This theory treats demand as of identical units at a given moment of time. It is perfectly correct so far as it goes, but as an explanation of demand it does not go very far. Atomistic as it is, it does nothing to explain any laws by which demand for one good or service reacts on demand for another, either encouraging or discouraging such demand; nor does it in any way cast light on the increasing tendency in our society for consumption to take place in terms of aggregations of units fused, as it were, into a new whole which is something different from the mere sum of its parts. The Gestalt theory is by no means all that is required for a dynamic theory of demand, but it is necessary as a part of such theory.

The Gestalt theory, known to psychologists for a generation, and already productively utilized not only in psychology but also in education, sociology, and anthropology, has been knocking at the gate of economics for a dozen years. At last, in the field of consumption economics, it is beginning to be welcomed.

Briefly, the basis of Gestalt theory is that our perception or experience is made up not merely of separate units of perception and experience added one to another, but of configurations, that is integrations of such units mutually interacting to form a whole that has a value somewhat different from the sum of the units separately. As Koffka¹ puts it:

The Gestalt category, wherever it is applied in science, signifies the attempt to find within the mass of phenomena coherent functional wholes, to treat them as full primary realities and to understand the behavior of these wholes as well as of their parts from whole rather than from part laws.

One illustration of a Gestalt, though an extreme one, is a melody: in this case the whole value is in the configuration. The notes themselves, the parts or units taken separately, are not the melody at all. Everything depends on relation and arrangement.

It is not a difficult step from the case of a melody to the Gestalts that affect consumers' demand. The old-fashioned economist assumed that a

¹ K. Koffka, "Gestalt," *Encyclopaedia of the Social Sciences*, New York, 1931, Vol. VI, p. 645.

man, when he went into a clothing store, had his mind on one thing alone, let us say shirts. He bought the one necessary shirt and then his processes of thought were to weigh the decreasing utility of shirts against the increasing utility of money or the other goods which money could buy. The next week, perhaps, he went shopping again, this time with his mind on ties. One tie he must buy, and then again begin the same process of weighing the second, third, fourth or fifth tie against the other goods which his money would purchase instead of it. The Gestalt economist, however, knows that a man goes out to buy his clothes not in terms of shirts today and ties next week but in terms of an outfit. It is a costume he is after, in other words a *Gestalt*; and the selection of each part is made with reference to the other parts and to the utility of the whole. If, for example, his single shirt is red and all the ties for sale are orange, he will not buy any tie at all, whereas if the ties are black he might buy two.

Economists have indeed recognized the principle involved here when they have, as a sort of footnote, spoken of complementary and supplementary goods. But the fact is that almost all goods are complementary and supplementary to something, and almost every demand reacts on the demand for something else. In the case of food, for example, it will not do to keep on adding peanuts to peanuts or even to cheese and to stop when the necessary 3000 calories are reached. A balanced diet is the most basic Gestalt of all. A change of demand for one article of diet cannot possibly take place without increasing or decreasing the demand for others.

Gestalts can be conventional and aesthetic as well as physiological, but costume is a more dramatic illustration of the importance of securing among the units a conventional effect. A hat, for example, is usually of no value to a consumer unless some other part of a costume accompanies it. It doubtless yields some kind of satisfaction in itself, so long as there is something else to go with it; but in our society, at least, the hat is usually selected definitely to go with some particular costume or type of costume. When the man steps out with his hat the total suitability of his dress is likely to be more in his mind than the hat as a thing in itself. The hat changes the value of everything else in his costume, and the value of the costume as a whole, raising the value if it is the "right" hat, but perhaps shooting it to nearly zero if it is the wrong one. A tall silk hat with the other elements of a diplomat's dress is exactly right; but only to save himself from sunstroke would a man wear such a hat with plus-fours.

Aesthetic harmony is frequently the basis on which a Gestalt is created. A single building may make or mar the beauty of a campus, a single flower

bed the beauty of a garden, a single picture the beauty of a room. "It needs something more to make it right," is an expression we frequently hear when a room is being furnished; or "the view was beautiful until that tower spoiled it." In so far as we regard campuses, gardens and rooms as wholes, and we tend more and more to do so, demand becomes a more subtle affair; at the same time we increase the possibilities of aesthetic appreciations in our lives, adding to the appreciation of a quantitative series of units another type of appreciation: the qualitative unity of all together.

People often have impulses to buy things attractive in themselves which are hard to fit into ordinary schemes. One frequently hears the remark, "I'd like to get it but I don't see where I could use it," applied to a vase, a copper watering pot, wooden candlesticks, an incense burner, a Persian wall decoration, or any of the things that are customarily sold in gift shops. One might say, in fact, that the gift shop is an institution for selling attractive objects that are hard to fit with other things. It is an amusing commentary on our choice-making that some people work off their desire for attractive things that are hard to fit by buying them as gifts to present to their friends. They have the pleasure of yielding to their impulses and leave to their friends the problem of coordinating the object with a setting.

Gestalt psychologists have sometimes written as if the unities we are discussing are primary and the contributions of the parts secondary to them. In some cases undoubtedly the central unity is primary, as in the case of the total standard of living; but in other cases the unity may be something built up out of experience or sophistication. This is particularly true of aesthetic appreciations in our society. A person may think of a room only in terms of its separate chairs, tables, pictures and rugs and then suddenly begin to see these in relationship to one another; at this point, the whole character of his appreciation changes and the nature of his demand.

Gestalt psychologists use the term closure to designate the completion of a pattern which has been only partly filled. The urge to closure is an important motive in consumer buying. If I have a good suit but no good shoes or gloves the need of closure forces me to try to get the shoes and gloves. The need of closure makes me want a dessert to my meal, a clock or a radio or twin eye shades for my car, a beautiful lawn to set off my attractive house. We hear of a woman who gets new curtains for her living room and before long has to have a new rug to go with them and finally new furniture to go with both. It is the urge to closure which furnishes the drive by which she acts. In modern life we are continually under pressure to keep up not only with the Joneses but with our own

possessions. Also it is true in modern life, but even more in conventional and old fashioned societies, that the sense of a closure already attained holds people back from buying; that is, an old-fashioned woman will not buy the electric ice box which she really would like because she foresees that the new icebox demands a new sink and a new linoleum. Because she is not prepared to go the whole way she will not go at all.

In some cases, modern producers of consumers' goods are well aware of the importance of consumption by Gestalt and use the principle as a means to increase their own sales. For example, every season the Textile Color Card Association puts out a list of the colors that are to be featured during the season by the makers of yard goods, clothing, shoes and accessories, and colors of one season are planned to be different from those of the season previous. So the new suit one buys this spring is likely not to be matched by the shoes, gloves and handbags of the previous spring, which means the consumer is tempted to buy new ones. Also, some producers of household accessories are endeavoring to increase the Gestalt consciousness of consumers. Westinghouse sells kitchen equipment of which all pieces are made to match and Sears-Roebuck advertises furniture units which fit into and with one another so that you may match everything "in accordance with the new trend." Layette's, matched dishes and silver, fitted travelling cases, prayer kits, are all examples of the respect that the producer is actually paying to Gestalt. The fact that business recognizes the principle in the market is finally leading to its recognition in marketing as an academic study.

Another practical bearing of Gestalt theory on demand or consumption comes in connection with efforts to change the demand of persons of another culture, as through international trade, imperialistic control, or, as now, by international planning. Take, for example, the recent International Food Conference, which brought together economists and technicians from forty-five countries, with the object of improving diets. Too many Americans and British took it for granted that because certain foods were valuable and desired by the English-speaking peoples, these foods should be introduced into the diets of Asiatics, Africans and South Americans. Americans saw the value of the foods in themselves, not the setting in which they would have to be consumed in, for example, Nigeria. Cows' milk and butter, which to us are almost a religion, fit very well not only into our productive activities but into our sanitary surroundings, the equipment of our homes, our form of meals and our general eating habits; but the food values of cows' milk and butter can be secured from other sources,

and it would be foolish to insist on our particular choices in a setting where other foods were quite as good and very much more welcome. Fortunately the delegates to the Food Conference could speak for their own countries and defend their right of choice. History, however, is full of the mistakes made by well-meaning imperialists and missionaries who tried to force something which seemed good to them into a setting where it had no place. Foreign trade, particularly, has lost out again and again because exporters in their promotional activities were not sensitive to settings very different from their own. The further we move into an international economy, the more essential it will be to refine and vitalize our study of the nature of demand.

Iowa State College

The Forgotten 'Hired-Man'

IN CONSULTATION with a committee of the Bureau of Agricultural Economics of the United States Department of Agriculture headed by the distinguished rural sociologist, Carl C. Taylor, Louis J. Ducoff has just completed a study of the "Wages of Agricultural Labor in the United States."

Farm wage workers comprise some 4,000,000 persons. Their level of productivity has risen progressively. Despite this, their real wages and income were at a dead level in practically all years from 1910 to 1930, averaging \$265 in terms of 1910-14 purchasing power—an amount far below that required for a level of living consistent with health and decency. In the depression the level dropped to \$200; it did not start rising from \$300 to \$400 until 1937 and did not break through the \$400 level until 1942 because there was still considerable unemployment in 1941 and the presence of a large unemployed and underemployed farm labor supply has always exerted a persistent downward pressure on farm wage rates.

In all the social legislation, in all but one of the various agricultural programs, the farm laborer has been ignored. Moreover, the traditional hope and incentive of the hired man of climbing up the ladder through tenancy to farm ownership seem to have been impaired rather than improved with the increasing commercialization of our agricultural economy.

These are some of the excellent results of Mr. Ducoff's study and the bureau's consultations. Yet when he and his colleagues turn to post-war agricultural policy, they have little to offer: minimum wage legislation, social security, scrapping of marginal subsistence units, greater efficiency.

The depressing effect of mass unemployment on farm wages cannot be offset by any purely agricultural program. But for "good" times, if the oversupply of farm wage workers depresses their wages, we should attack the problem on the supply side. Why are not family farms available to them? Because, among other basic obstacles to individual ownership, of the absolute private ownership of land, because of the lack of credit for the small farmer, because of the laborer's ignorance of scientific family farm management? The first can be disposed of by social land value taxation; the second by credit unions and the third by the same sort of adult education that has revolutionized the practices of the owning farmer; these are planks in the practical program of the rural life movement. The farm laborer can be aided only if we go to the roots of his problem, only if we open the way to him so that he can become an independent farm operator.

W. L.

The System of Free Enterprise and Its Caricature

By HARRY GUNNISON BROWN

THE system of free enterprise ("capitalism") seems to receive a good deal of lip service from business executives. And it has the tacit—if nevertheless uncomprehending—support of those farm owners and owners of other property who dread the thought of socialism or communism.

But the kind of "free enterprise" system which many of the more vocal opponents of socialism and communism appear really to want is, at best, a miserable caricature of what a free enterprise system might be and ought to be. Each economic group is so intent on interferences with freedom, in its own group or class interest, that the end result can hardly be considered a free enterprise system at all. In various respects, it is already regimented much as socialism or communism would be although doubtless not to the same extent, and certainly it is not regimented advantageously to the poorest class with whose welfare advocates of communism—and socialism—feel they are especially concerned.

But these general statements will probably mean little to most readers unless accompanied by some sort of bill of particulars.

I

LET US BEGIN by considering the Agricultural Adjustment Acts of the New Deal. The provisions of these statutes certainly have interfered and those of the later statute under this title do interfere with the normal operation of the voluntary price or free enterprise system.

Under the original Agricultural Adjustment Act, passed in 1933 in the early days of the New Deal, owners of farms were paid a bounty or subsidy by the federal government to take land out of use. One result was that not a few landlords—especially owners of plantations in the South—found it desirable to dismiss or discharge a considerable proportion of their tenants and laborers. The workers thus deprived of employment on the plantations and farms had then, in a period marked by widespread unemployment, to seek other jobs.

The purpose of the law was to *hold up* and even to raise appreciably the prices of agricultural products by *limiting* their *supply*. This is the method of *privately* established monopoly, too, and it is no more desirable or defensible when practiced by government than when practiced by individuals or by private companies.

As I have pointed out in my "Basic Principles of Economics,"¹ it is sometimes argued in this connection

that since some manufacturers may have had a degree of monopolistic control and may have been able to restrict output and hold up prices, and since wheat farmers have been unable thus to establish monopoly by themselves, therefore the government should aid them to restrict the output of wheat so as to hold up wheat prices. The result may, of course, be a benefit to certain wheat growers, but life is thereby made harder than before for those persons who, not being in any privileged group themselves, must now contribute to a new privileged group just because they have previously had to contribute to an old one.

When individuals or small groups succeed by burglary, picking pockets or holdups, in abstracting wealth from others, those who are robbed at least have law on their side. But what if a larger and politically powerful selfishly interested group succeeds, by sophistical arguments, or by legislative bargaining with other selfish groups seeking privileges at the expense of the general public, or merely by gaining the support of legislators who are more afraid of losing the votes of an active and well organized privilege-seeking minority than of an unorganized and comparatively unaware and inert majority,—what if such a group thus succeeds in using the tax system and the legislative appropriation machinery to abstract wealth from the rest of the people! In such a case, those from whom wealth is being abstracted find that even the law is against them and that, if they refuse to make the required tax contribution, it is they, and not those profiting at their expense, who are considered the criminals.

What if there should be a continued and progressive extension of government interference, regimentation and control in the interest of such privilege-seeking groups! Might we not finally discover, as we approach the end of this unhappy journey, that men's incomes depended mostly on their skill in political bargaining, threats and chicanery, and scarcely at all on their productive efficiency? And would it not then be widely argued that the voluntary price system ("Capitalism") had failed, and that the state must henceforth control all those economic activities which were previously guided, in a régime of economic freedom, by the market and by the lure of price?

If it were really conducive to prosperity to withdraw good land from use, does it not follow that the United States would be more prosperous if a Sahara desert were substituted by nature for a large part of our good farm land?

Indeed, such a calamity *would be a definite advantage* to the owners of what good land still remained. For in such a case the frantic competition of the landless for the use of land to work on would enable the

¹ Lucas Brothers, Columbia, Mo., 1942, pp. 171-172.

landlords to *charge higher rents* to tenants and *pay lower wages* to laborers!

But after all, the thought that substitution of a Sahara desert for much of the good land in the United States would be a general benefit is consistent *not only* with the policy of paying landlords to take their land out of use. It is consistent *also* with our long continued encouragement of the holding of land out of use by speculators. Within and about American cities are vast numbers of vacant lots, many or most of which will remain vacant for years and not a few of which will remain vacant for decades. These lots have been made, usually, unutilizable for agriculture. They do not serve, in any proper sense, the function of public parks and children's playgrounds! Nevertheless, their existence involves the extension of telephones and electric light wires and of gas, water and sewer mains over longer distances. It involves the necessity of walking or riding longer distances from home to work and from work back home on the part of thousands of city dwellers. It involves longer distances traversed for the delivery of purchased goods to the homes of purchasers and for the collection and delivery of laundry.

If we had the will, we could easily enough make the speculative holding of vacant land altogether unprofitable. A high land-value tax, levied in place of some of the burdensome and economically depressive taxes we now have, would accomplish the purpose completely and, indeed, would have various other definite advantages,—such as lowering the sale price of land and making easier the transition from tenancy to ownership of land by the user of it.

Is it really surprising, however, that a generation which will not even seriously consider such a reform should go still further in the encouragement of holding land unused, by providing that the rest of the public should be taxed in order to *pay* landlords for withholding land from use?

Let those anti-New Dealers, then, who are inclined to criticize the New Deal political leaders for their policy in regard to farm land, ask themselves how *they* feel about the economic waste of vacant land speculation! Here, perhaps, is the acid test of their understanding and sincerity!

II

WE NOW HAVE a new Agricultural Adjustment Act (1938), the first one having been declared unconstitutional by the Supreme Court. But the amended Act also—though not by paying subsidies for taking land completely out of use—applies the principle of limiting output for the

purpose of holding up or raising prices. Subsidies are now paid for the planting of "soil restoring" and "soil maintaining" crops. This is somewhat as if owners of houses were paid subsidies for "restoring" their roofs by putting on new shingles and "maintaining" their walls by painting them! But the newer Act also makes provision for "quotas" to apply to the growers of wheat, corn, cotton, rice and tobacco. Those who produce and sell more than the quotas allotted to them are penalized by a heavy tax,—in effect, a fine. This, certainly, is supply-limiting legislation.

There is, in the Act, a sharp limitation of the amount of a particular crop—when quota limitations are voted—which can be produced in a county or state on land not recently used to grow that crop. For example, not more than three per cent of the county acreage allotment for wheat may be apportioned to farms on which wheat has not been planted during one or more of the three previous marketing years. In the case of cotton, not more than two per cent of a state's acreage allotment may be apportioned to farms which were not used for cotton production during at least one of the three preceding calendar years.

In the case of rice, the prohibition is against persons rather than particular pieces of land. Here it is provided that not more than three per cent of the acreage allotted to any state shall be apportioned "among persons who for the first time in the past five years are producing rice on the basis of the applicable standards of apportionment" and that no such person shall be allowed more than seventy-five per cent of the acreage in rice he could have if this were not the first time in five years he was so producing.

It can easily be seen that, when such a limited quota for all those persons who have not produced rice for five years has been asked for and allotted, an American citizen whose application was a little later would not have the *liberty* to produce rice *at all* for that year. As regards wheat and cotton, an American citizen desiring to produce one or the other of these and buying or hiring a piece of land for the purpose, might find that he was *not free* to produce the crop *on that land* because the particular piece of land had not been so used in recent years and because the acreage allowed for such land was all allotted.

Will our ultimate economic system be one in which *every* person is told in what industries he *may* engage and what occupations he must perform *forego*? And this in a country where the words of the Declaration of Independence are still given lip service:

"We hold these truths to be self evident; that all men are created

equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, *liberty*² and the pursuit of happiness."

The question whether to establish a quota in any year is determined by the Secretary of Agriculture, with the proviso that the quota will not go into effect if opposed in a secret ballot by more than one-third of the farmers affected.

This arrangement has been euphemistically described on *very* high administration authority as "the democratic way." But to describe it thus is really a travesty on the word "democratic." *Consumers* do not vote on the matter. Millers (or other processors) do not vote on it. Would-be farm laborers for whom such quotas may mean no farm jobs do not vote on it. If such a system of deciding that there shall be a monopolistic limitation of output is "democratic," then it would be "the democratic way" for the various gasoline companies to decide, by secret ballot, whether to limit the output of gasoline and for the owners and operators of coal mines to decide in like manner whether to limit the output—and thus raise the price—of coal. Has it really become "democratic" nowadays to shut out from decision on such matters millions of consumers whose economic interests are acutely affected by the decisions reached?

When competitive forces are allowed to work themselves out without interference from government restrictions, prohibitions and quotas, excess production of any kind of goods operates to bring its own correction and, therefore, tends to be only temporary. For the resulting low price means smaller returns to those engaged in the business and these smaller returns induce some of them—presumably those relatively *not so well adapted* to it and, also, the capital and land relatively *not so well adapted*—to leave this line of production for various other lines.

But when this fact is pointed out, the objection is frequently raised that, largely, workers cannot and will not change, that labor is "immobile," and that the economists who say they can and will move are "*laissez-faire*" economists who base their conclusions on mere "theory" rather than on observed facts.

Actually, it is the critics of these economists who fail to observe the facts. For just a little observation of what goes on about them daily ought to convince them that changes in occupation are by no means infrequent but are, in fact, common. And there is, too, in every year, a flood of unspecialized beginning workers who can go into one or another

² The reader will recognize that the present writer has introduced italics.

line according to where lies the greatest promise of substantial income. The recent rush of many thousands—not to say millions—of workers into war industries previously unfamiliar to them offers an illustration of mobility on a vast scale. And in case the critics attempt to escape the logically inevitable conclusion by referring to this mobility as resulting from "abnormal" (*i.e.*, war) conditions, then they should be required to note the migration from country to city between 1922 and 1930. During these eight years an average of about two million persons a year left the farms for the cities while an average of well over a million a year moved in the reverse direction, leaving a net movement from the farms of about two-thirds of a million annually.³ Certainly, when there is such mobility as this, it is ridiculous to assume that the great majority of farmers cannot even change from one crop to another!

If, during the thirties, there was no such movement to the cities, this was almost certainly because of business depression in the cities, with wide unemployment and low average income.

III

HERE WE MAY NOTE briefly another angle to our sabotaging of the free enterprise system ("Capitalism"). This is that we have followed policies calculated to bring about recurrent depressions, with their incident failures and unemployment. Bank credit deflation has, indeed, brought drastic decreases in prices of raw materials, including farm products, and farmers have certainly suffered acutely from such deflation. But so have jobless city workers and various other persons.

If it is a proper function of government to establish standards of length, volume and weight, it is also its proper function to establish, as nearly as may be, a stable standard of value. This means that the money and banking system should be so controlled as to avoid either inflation or deflation.

But having failed to perform this essential function of providing a stable standard of value and having thus contributed to the genesis and development of alternate inflations and deflations and of business depressions, the federal government has then tried to rescue a part of us from some of the evil consequences of its neglect by policies which have brought further injuries to others of us, which deprive our citizens of long-accustomed liberties and which are utterly inconsistent with the system of free enterprise and individual initiative to which not a few of our business leaders attribute our industrial dominance.

³ See U. S. Department of Agriculture, *Agricultural Statistics*, 1939, p. 484.

Our labor policy, also, has been not too intelligent. The Federal Fair Labor Standards Act of 1938 fixed wages per hour on an appreciably higher basis than had been previously enjoyed by the lowest paid workers in a considerable part of the country. To illustrate the effect such a minimum wage law may have, let us suppose the case of a coal mine worker the hiring of whom by an operating company will increase its output by not more than one ton of coal per day. At the mine mouth, with transportation and marketing costs to subtract from the retail price, the coal is worth only \$3.00. If legislation makes it a misdemeanor to hire this worker for less than \$4.00 per day—or even less than \$3.20 per day—will the company hire him? Will he be hired if to hire him means he must be given \$4.00—or even \$3.20—for producing something that cannot be sold for more than \$3.00? Surely wage-raising laws *must* bring about unemployment whenever the increased wages so required are higher than the value of the goods or services for which they are paid.

The economically illiterate may object to this view on the ground that in order to raise wages we have only to increase prices!

Even though we assume that we could increase money wages by increasing proportionally the prices of goods, this would not mean any increase in the *real* wages (food, clothing, phonographs, refrigerators, motion picture entertainment, etc.) of workers and it is *real* wages which are important.

But without an increase in circulating medium (money and bank credit), we could not expect a rise of prices *unless it occurs in consequence of decreased production*. Do we desire decreased production and concomitant forced unemployment for many of our wage earners in order that we may have a scarcity of goods, in order that the prices of these goods may thus be kept high and in order that those workers who are lucky enough to be still employed may receive wages higher in dollars with which to purchase goods at these proportionately higher prices?

Unless there is increase of circulating medium, then, making possible a rise of commodity prices, or unless the productiveness of labor quickly increases so that the higher wages are really earned, a law requiring that wages be raised appreciably above the level measuring the value of what labor produces must increase unemployment; and it might increase unemployment very greatly.

But, as suggested above, a sufficient increase of circulating medium, *i.e.*, a sufficient *inflation*, would operate to rescue the wage earning population from the evil consequences of such a law. For such inflation would

raise the general level of prices of the goods the labor produces and would thus make it possible to pay the wages which the law required.

Perhaps the Fair Labor Standards Act passed by Congress in 1938 has thus been, is being and will be kept from greatly decreasing the opportunities for employment. For since this Act was passed there has been a very considerable degree of inflation and it is not unlikely that there will be more. The Act fixed a minimum wage of 25 cents an hour, to become 30 cents per hour in 1939 and a minimum of 40 cents per hour in 1945. If, when the law went into effect in 1938, the provision that wages must not be less than 25 cents an hour was intended to have any effect at all in raising the wages of unskilled labor above what they already were in any part of the United States, must not 40 cents an hour, *in the absence of any rise of prices*, necessarily bring some degree of unemployment? And what if prices actually fell between 1938 and 1945 as they did greatly between 1926 and 1932!

If all that is necessary to improve the economic status of workers is to legislate wages upward, why not pass a law that no one shall pay wages of less than \$1.00 an hour, or \$10.00 an hour, or even \$100.00 an hour! Or might it be, conceivably, that the view that we can force wages up greatly by law while still maintaining full employment, is just wishful thinking?

The Fair Labor Standards Act, however, does not apply to all industries. The statute specifically states that the minimum wages fixed are not to be required in certain occupations, *e.g.*, agriculture and retailing. It would still be possible, therefore, for a worker deprived of employment in (say) manufacturing or mining by the requirements of the Act, to work on a farm, where the wages can be—so far as the law states—as low as or lower than a cent a day, or to work in a retail store. Thus, we might expect to find some workers who were forced out of manufacturing and mining going into these other lines of work, increasing the competition for jobs in these other lines, and making wages in them even lower than such wages would be if the Fair Labor Standards Act had never been passed!

But here we come again face to face with the Agricultural Adjustment Act and the "quota" limitations of output provided for by it. By means of such quotas the opportunities of men to find employment in some lines of agriculture are reduced. And, obviously, the larger the number of lines of production from which workers are excluded, whether by minimum wage laws or by quotas or otherwise, and the fewer the lines of

production into which they are permitted to go without restriction, *the greater is the tendency to press wages down in the fields still remaining open!*

Just as the quota system of the Agricultural Adjustment Act was euphemistically presented as "the democratic way," so has this fixing of wages been euphemistically described as putting "a floor under wages." But such a "floor"—if it does really and effectively require a wage level appreciably above the level of a free market—must either occasion large unemployment or, in case the wages fixed apply only to some lines of labor, must tend to crowd workers into other lines and so reduce wages in them. Limitation of the number of workers that can be employed in some lines must operate to the disadvantage of workers excluded and, in general, to workers in other lines, regardless whether the limitation is the policy of a monopolistically inclined union or is the policy of government acting under pressure from agriculturists, labor groups or just sympathetic "liberals."

IV

BUT CERTAINLY it is not only under pressure from the spokesmen of farmers, manual labor groups and the sympathizers of these that legislatures apply restrictive policies. They do it as well under pressure from various business groups. A recent type of restriction is the heavy tax applied to chain store companies. In a number of states the tax on each store of a chain increases up to the point where added stores are taxed \$500.00 a year each, or even more. It does not appear likely that this is done because of any serious fear of monopoly. The various chain stores compete with each other and they have to meet the competition, also, of efficient independent stores. But owners of independent stores who would like to be *relieved of competition from a very efficient system of goods distribution* are too eager and ready to bring pressure on legislatures for restriction on such competition. The to-be-expected consequence is higher prices or poorer service to consumers,—or both.

Another illustration of the results of such pressure is to be found in our so-called "fair trade" legislation. Here, too, we are treated to euphemistic phrase making. What "fair trade" laws really mean is that manufacturers are permitted to dictate the prices that dealers may charge for the special goods made by these manufacturers, so that *a more efficient dealer cannot express that efficiency in a reduction of the retail price.*

Still another, and certainly an old and familiar restriction of competition, is the so-called protective tariff. The economic objections to such

legislation have been presented most effectively over and over again since the appearance of Adam Smith's "Wealth of Nations" and earlier. But the policy is still followed in every or almost every country. Indeed, one of the economic evils of the Treaty of Versailles following World War I was that, in setting up new nations on the basis of "self determination of peoples," it increased the number of national boundaries at which tariff restrictions could be and were levied. And in our own country, though we do not have, formally, protective tariffs between the separate states, we do have vexatious and conflicting truck regulations, multiplied license fees for trucks going through several states, heavy taxes in some states on certain goods that are the products of other states, inspections and inspection fees at state borders, etc. Perhaps in an earlier era the Supreme Court would have summarily forbidden such interferences as being merely camouflaged violations of constitutional provisions which were supposed to guarantee free trade among the states. But our present "liberal" Court seems inclined to allow them unless or until Congress asserts itself by some form of national control. Presumably, if and when Congress sets forth a broad federal policy in regard to interstate trade and all of its necessary mechanisms, such as trucks, any conflicting state regulations will be ruled out.

The system of free enterprise, at its possible best, would be a system in which individuals were free to choose their occupations and to produce as much or as little as they pleased of whatever they pleased.⁴ (How much we have already departed from this, and how hard it is, against the pressure of interested groups or blocs, to retrace our steps!) It would be a system that relied for the provision of desired goods on the lure of profitable price, and for drawing labor into a desired line of production on the lure of relatively high wages. It would be a system in which men were free to save and to invest in the construction of capital or not to do so. It would be a system in which monopolistic restriction of output either by conspiring business groups or by government in the interest of privileged groups was impossible. It would be a system in which really unfair competition, *e.g.*, misrepresentation of rivals' goods, discriminating transportation rates, etc., was outlawed and effectively suppressed. It would be a system in which, in general, the enjoyment of large income was the result of offering large and desired service,—of efficiency in meeting the needs and desires of the public. It would be a system, therefore, in which men could do best for themselves and

⁴ Save for restrictions on obviously injurious drugs, the tools of crime, etc.

their families and the causes in which they were interested, by being the best possible servants of the community.

Before concluding this discussion, it should be pointed out that one of our policies which is *most inconsistent* with the principles a system of free enterprise ought to exemplify, is our policy regarding land, land rent and taxation. To allow individuals to receive income for effort contributed in production is consistent with this system. To see to it that individuals can receive income from capital which, except for their saving, would not have been brought into existence and which adds to the annual output of desired goods is equally consistent with this system. But so to arrange matters that individuals receive income because they are in a strategic position to make others pay them for *permission* to work and to live *on the earth* and to enjoy *community-produced* advantages of location, is definitely *not* consistent with this system. Nor is the interference with effective production, which comes from the speculative holding of land out of use, consistent with this system.

Pretended friends of the system of free enterprise may urge heavy taxes on the goods men buy, on the incomes—even very small ones—they earn by hard work, and on capital and the income from capital,—in order that taxes on the geologically-produced and community-produced rent of land may be kept low. But no such policy can be urged by anyone who, with sincerity and understanding, seeks to further the development of a system of free enterprise consistent throughout with the ideals on which alone it can be convincingly defended.

V

IN SUMMARY, perhaps I cannot do better than to quote from the concluding paragraphs of one of the chapters of my "Basic Principles of Economics,"⁵ where it is pointed out that

among persons who insist on a protective tariff which diminishes geographical specialization and so lowers the effective productivity and earning power of labor, and among persons who never dream of questioning a system under which the majority must pay tribute to a minority for permission to live and to work on those parts of the surface of the earth where life is reasonably pleasant and where labor is reasonably productive,—among both of these we can continue to expect an amiable advocacy of interfering laws to accomplish ends which can be effectively accomplished only through an understanding of fundamental economic principles.

Suppose that the owner of a first class automobile, by the skillful use of wrench and hammer, twists the pipe leading from the gasoline tank

⁵ *Op. cit.*, chapter XIV, pp. 418-9.

so that only a trickle of gasoline can get to the carburetor. Suppose he then puts his pocket knife through three of the tires, making them completely flat. Next he crashes in one of the front fenders so that it presses against the one tire that still holds air. After that, he pounds the top of the car with a pickax until there is little or no protection against wind or rain. Finally, he runs out the brake fluid and rips out the brake linings. After completing these tasks he begins to complain that the car is not constructed on right principles, that its whole system of operation is fundamentally wrong, that it provides no "security" against either storms or wrecks, and that what is needed is some sort of "planning." What would be said of such a person? Might there not be at least a tiny bit of hesitation in crediting him with superlative intelligence?

Yet how do we—and those we put into positions of power in government—proceed in regard to our economic system? We institute recurrent deflations of bank credit (alternating with periods of inflation), that bring about unemployment and business depression. We interfere, by protective tariffs, with geographical specialization. We follow a policy which facilitates the speculative holding of land out of use and so reduces the opportunities for productive labor. Not content with this, we have even given owners of agricultural land special benefit payments at the general expense, to keep out of use some of the land they would otherwise have used, thus further curtailing the opportunities for productive activity, and have thus curtailed these opportunities at the very time that business depression was greatly reducing opportunities in the cities. We pass laws at the instigation of kind-hearted persons who have no real comprehension of the necessary relation of wages to productive contribution, which prohibit the employment of workers at wages below a fixed minimum. And . . . we adopt a tax policy that unnecessarily penalizes labor and industry, efficiency and thrift.

But when confronted with the evil consequences of these policies, we say—or, rather, some of us say—that the difficulty is not in ill-advised government interference with matters that government might better leave alone, and that it is not in the failure of government to perform adequately and well such proper governmental functions as control of the monetary system and stabilization of the price level and the purchasing power of money. On the contrary we say—that is, some of us say—that what is needed is still more government interference, more regimentation, more government participation in productive industry, and more "planning."

In view of the number and, apparently, the growing influence of those who take such an attitude, it may easily come about that the evils in our economic life which we suffer just because of unwise government interferences, will bring from a confused and half-convinced electorate a demand for even more of such interferences. And who can be certain that the ultimate result will not be a gradual replacement of the system of free industry by a completely regimented industry under the direction of an all-controlling State.

University of Missouri

The Relation of Peirce to New England Culture

By JAMES FEIBLEMAN

PHILOSOPHY, AT LEAST in that sense in which the philosophy of Charles S. Peirce was both conceived and communicated, must represent the widest and most cosmical hypothesis of an unlimited universe, a view both revised and corrected according to the requirements of logic and of fact. It is thus an absorbing program calling upon enormous funds of knowledge and insight gained through rigorous training and exclusiveness of interest.

Of the few individuals who, in an age of emphasis on science, try to be philosophers, fewer still are able to succeed. Philosophy being what it is, however, this goal, like all others worthy of the name, is ultimately unattainable. Although no ambition can be said to be higher than that of the truly ambitious philosopher, there are difficulties which always beset him and which must eventually prove insurmountable. These difficulties are occasioned by the peculiarities of perspective to which life in a given date and place have committed him. Since men are of necessity limited creatures, they have at their disposal never more than a reasoning which is apt at times to be faulty and a spatial sequence of events which is bound to be brief in the extreme. In the judgment of any accomplishment, these shortcomings must be taken into account. To assist in the labor of understanding Peirce, one of the great minds that America has produced, it will be necessary to have some knowledge of the cultural occasion which gave rise to the man and hence in a sense also to the philosophy.

The knowledge that America has had a philosopher of considerable proportions has been slow to spread. That Peirce's writings constitute one of the finest products of New England culture, is a fact which has suffered some obscurity but is now becoming more widely understood. The founder of pragmatism, the source of many of the ideas of James and Dewey, and of other ideas which have not yet been sufficiently brought to light, has himself failed of adequate recognition, partly because of the abstruse nature of his writings. Several volumes of selections have been published since his death. There is "Chance, Love and Logic,"¹ there is "The Philosophy of Peirce,"² and, above all, there

¹ London, Kegan Paul, 1923.

² London, Kegan Paul, 1940.

are the six volumes of "*Collected Papers*."³ Still other books are scheduled to appear. The reputation of Peirce is slowly but surely assuming the importance which the value of his ideas seems to require. It is timely, then, to turn to a study of the relations of Peirce, the man, to the social background which was responsible for him.

I

THE HISTORY of New England culture during the first half of the nineteenth century is the account of the Boston promise—and why it was not fulfilled. It is true that a tiny corner of Massachusetts led the way toward the establishment of an indigenous American culture; led the way, faltered, and then finally came to an abrupt close. The tale of this brief beginning and its abortive termination explains to some extent how the New England social environment could give rise to a great philosopher, and then fail to appreciate him.

In a new world, peopled at first largely by English stock and using the English language exclusively, it was logical that English cultural influences should be strongly felt. But from the beginning the impact of a rude and powerful geographical environment upon the early Puritans did not allow the imitation of England to take a naïve start. The trading centers of New England, which early developed a commercial intercourse that was world-wide, prevented the English influences from remaining undiluted. Windjammers went to every important seaport, in the East as well as in the West, bringing strange cargoes and bearing unknown tongues. The merchants' "brave little sailing ships went to Canton, St. Petersburg, the Ile de France, and Bombay" and "they continued to pile up fortunes out of sea trade from 1780 to 1850."⁴ Culture does not always result from a prosperous commerce, but cannot occur without it. Boston, the chief seaport of the New World, tried to establish its independence from England by grafting international influences upon the agricultural beginnings of American life. Particularly was the novelty of the Oriental hemisphere invigorating. Bostonians came home with Eastern books and stories, and speaking dialects seldom heard before even in Europe. Unconsciously, perhaps, but none the less surely, it was felt that here was the opportunity for a cultural rebirth rare in history.

A self-conscious passion for learning gripped the little area; it was determined to use its virgin environment and to implant thereon a com-

³ Cambridge, Harvard University Press, 1931-5.

⁴ Robert R. Mullen, "Poor Old Boston," in *The Forum*, Vol. CIII (1940), p. 232.

plex culture whose provincial location should spread to the rest of America and perhaps as far as Europe. Thus without comprehending all the implications, Boston and its neighborhood aspired to repeat the tremendously successful adventure which was insular England. At first the experiment was amazing. Emerson, with his stilted yet penetrating and singularly fresh version of oriental mysticism forging the new transcendentalism; Hawthorne, with this transcendentalism, interpreting the town-life and Thoreau the country-life of New England—these men were initiating a culture which any land would have been proud to call its own. Viewed with a sufficiently narrow logic, there would appear to be no reason to suppose that such a start might not have led to consequences of tremendous importance.

But something happened which had not been taken into the calculations. There were major factors at work of which not even the New England authors dreamed. For, while they were writing, while their neighbors were considering Boston the "hub" of a world to come, the frontier was expanding and America was increasing to a magnitude which had never been dreamed of in any of its philosophy. While the Boston writers were endeavoring to establish a little island culture which was planned all of a piece, like that of England, America was growing, and was beginning to constitute an influence on its own account. England had been separated by water from the rest of the world. New England was separated only by ignorance of the potentialities of the unknown fresh territory. But while the ignorance was to last, the potentialities became actual. Boston sent out waves of influences to the rest of the United States, much as England sent out influences to its colonies. But the colonies were remote and could not influence England in any important way, while the broad United States reacted on New England in a fashion which made the Boston culture shrink in upon itself in fear and trembling.

There was still another difference. England did not have its important colonies until it had become culturally mature. The great period of Empire expansion followed the period of Elizabethan cultural renaissance. With the English conquerors went evidence of a robust culture which stood in no fear of being quelled whatever it had to meet. In New England, however, the cultural renaissance was, so to speak, not given enough time to get its feet on the ground before a marching army of immigration was at its door and an advancing frontier carried the boundaries of its sphere of influence indefinitely away toward the West

and the South. "Into such a decorous, well-to-do, chilly ornate society were suddenly dumped the roisterous, indecorous, emotional, warm, tumultuous, laughing Irish. For, just as Boston reached this nice, ever rising mid-nineteenth century economic plane, Ireland experienced a potato famine. Nothing would grow. . . . This was the summer Cunard plastered the Emerald Isle with his steamship posters. The cheapest trip was from Queenstown to Boston. They came in droves."⁵ In the period from 1830 to 1850 the population of New England rose only from 2,000,000 to 2,700,000. Considering that of this number 300,000 were foreign-born, chiefly Irish, New England must have lost an equal number, or even a greater one, to the new frontiers.⁶ The challenge was more than the young arts of Boston were able to meet; they did not pick it up because they could not. The simple truth is that they were not prepared.

Cultures, like lesser organizations, have two choices; or, more seldom, three. They can advance or retreat, but they are hardly able to stand still. Boston tried in vain to hold its gains without making any fresh bids, and the result was a retrogression that shook the society at every level of its activities. First of all, it lost its great seaport trade to the port of New York. As early as 1794, the tonnage shipped from the port of New York exceeded the shipments from Boston. By 1797, Boston was exporting only 84,259 tons against New York's 153,931 tons. Then it tried to supplant this loss by turning its energies over to manufacture. In 1839 the Cunard line went to Boston as its American port, but because of the commerce that poured into New York from the Hudson and Mohawk Valleys, by 1850 New York had gained a definite advantage, and the international sea-trade shifted from Boston to the new great American port. The American Collins line, subsidized by the federal government, operated in the mid-century from New York. It was to compensate for this that New England expanded its manufactures. The Merrimac river was the scene of the new busy occupation, as mills sprang up everywhere, and Boston became the banking center for the region. Already in 1850, the value of New England manufactures, according to the national census, was \$274,740,000, of which Massachusetts alone could claim over half.⁷ This made it dependent upon the areas producing raw materials, particularly southern cotton; so that it became involved in the issue of the civil war. Twist and

⁵ Mullen, *op. cit.*, p. 233.

⁶ Frederick Jackson Turner, "The United States: 1830-1850," New York, Holt, 1935, p. 44.

⁷ Cf. Turner, *op. cit.*, ch. III.

turn as it might, the day of its pretensions to isolation was past and could not be recalled.

Boston lost its confidence; and it became evident that the promise of American life—so near in New England—was not to be fulfilled for a while. New Englanders themselves were aware of the new situation. Lowell wrote that he remembered Americans in an earlier day as having stood firmer on their feet; and the "furtive apology," as some said in reference to Henry James, revealed a self-conscious effort to be noble that was sure to end in failure.⁸ As Boston lost its leadership in trade to New York and its intellectual isolation to the whole continent of North America, it shrank culturally and endeavored to preserve that with which it had started. From an outlook big with the future, Boston took the road back toward an archaism consisting in the worship of what it once had been. Hence, conservatism supplanted the beginnings of a brave new world, bringing puritanism, conformism, and the imitation of European models, particularly those of England, in its wake. The shift was unfortunate; for as Boston became self-conscious about its earlier virtues, it became evident that these had not been entirely those of the Calvinist. There had been a cultural direction that was indigenous, spontaneous and free, and there had been an abundance of energy to carry it out, where now there was only retrenchment and the abandonment of all that was so desperately gained.

The new generation of the Boston of 1870 felt lost; it did not know its own ground as something safely under it, and looked elsewhere helplessly. "Then the values of England resumed their sway, as nature abhors a vacuum."⁹ Symptomatic of the return was the literature produced by Henry James, novels of British nostalgia written by a provincial expatriate. Boston slowly became what it has remained to the present day; a pioneer imitation of what it supposes (erroneously enough) England must still be. A prudish provincialism took charge, unrelieved when the scholars returned from Europe to reproduce what they had learned. A hedge of stern disapproval was erected about those who did not behave in a way that seemed expected. The boisterous sensuality of an earlier period which had gone hand in hand with intellectual achievement was banished to give it air; but the sensitive plant of the New England rebirth was suffocated to death anyway.

The picture of Harvard as it was during the early years of its decline into reaction has been well expressed by Brooks.

⁸ See Van Wyck Brooks, "The Flowering of New England," pp. 513-4.

⁹ *Ibid.*, p. 514.

The college was not for ladies, neither was it meant for men of genius, or any other sort of extravagant creature. For a thorough Boston lawyer, a merchant who desired a well-trained mind, a minister who did not indulge in raptures, Harvard had proved to be an adequate nest. It fostered polite, if not beautiful letters, it sent one back to Plutarch for one's models, it sharpened the reasoning faculties, it settled one's grounds for accepting a Christian faith that always knew where to draw the line.¹⁰

Such was the Harvard in which the father of Charles Peirce worked, and, indeed, flourished. For Benjamin Peirce, this kind of a Harvard presented no difficulties. He was a mathematician, and innovation of any radical and revolutionary social nature is hard to detect in mathematics. He seems to have been a robust soul who had no trouble in keeping his excess of energy in the proper channels. He was a "massive intellect" and a "profoundly inspiring teacher."¹¹ He succeeded in handing on to at least one of his sons a vitality and an intellect, together with a restrictive social environment, which were hard to reconcile. The result was that it is possible to write books about the golden days of New England which do not even mention the birth of her greatest son.

II

PEIRCE WAS A PRODUCT of the best in Boston culture, but there was no place for him in the period of its contraction. From a father who taught mathematics at Harvard, he received the finest kind of academic background and beginnings; he himself was graduated from Harvard College in 1859 and took his M.A. there in 1862. Although he lectured in philosophy in the year 1864-5 and again in 1869-70, and assisted at the Harvard Observatory from 1869 to 1872, no one was more intensely or bitterly aware than he that he did not fit into the tidy scheme; and the fact is that he did not long keep his active connection with the university. Certainly he provoked the impression of his own undesirability, from the standpoint of the university authorities, and partly even from that of the intellectual society of Cambridge. Peirce was too original, too forceful and too outspoken for the purposes of a shrinking culture. That same New England life, which had made the scholar possible through its emphasis upon learning, put a prohibition upon philosophical genius by discouraging untoward ways and ignoring spectacular invention.

Among his Harvard contemporaries, none stood out more prominently than Emerson and William James. They found the air of Harvard

¹⁰ *Ibid.*, p. 38.

¹¹ The words are those of President Emeritus Lowell, quoted in *Science*, vol. 89 (1939), p. 21.

highly congenial; what they had to advocate carried with it no implications of offense to the powers that were in office. Peirce kept his friendships intact, but his dearest friends could not help being, for him at least, intellectual opponents. Emerson was too eclectic, and James too opportunistic. Emerson was one of the transcendentalists "stricken with the monstrous mysticism of the East," said Peirce, who claimed that he did not "contract any of that virus."¹² As for James, and the Metaphysical Club which met from 1872 to 1874, he was compelled to leave them behind as he generalized the idea of pragmatism into a metaphysical doctrine which the members did not all admire. James remained a life-long friend and aide, but he committed the unforgivable sin of misunderstanding pragmatism. He made "Doing to be the Be-all and the End-all of life,"¹³ a doctrine too crass for Peirce altogether, typical of the way in which, quite unconsciously perhaps, a defensive department of philosophy had protected itself against the subtlety of a realistic formulation in which workability depends upon truth.

Peirce's own attitude, as we should expect, grew intensely critical with regard to what the educational aims of his *alma mater* had become. The difficulty was that Harvard, along with the other American universities, was completely self-satisfied, a logical enough symptom of conservatism. But Peirce observed that "the first thing that the Will to Learn supposes is a dissatisfaction with one's present state of opinion. There lies the secret of why it is that our American universities are so miserably insignificant."¹⁴ On a later visit, Peirce's suspicions of Harvard were confirmed. For he asked, somewhat rhetorically,

whether the Commonwealth of Massachusetts has set up this university to the end that such young men as can come here may receive a fine education and may thus be able to earn handsome incomes, and have a canvas-back and a bottle of *Clos de Vougeot* for dinner—whether this is what she is driving at—or whether it is that knowing that all America looks largely to sons of Massachusetts for the solutions of the most urgent problems of each generation, she hopes that in this place something may be studied out which shall be of service in the solution of those problems. In short, I hope to find out whether Harvard is an educational establishment or whether it is an institution for learning what is not yet thoroughly known, whether it is for the benefit of the individual students or whether it is for the good of the country and for the speedier elevation of man.¹⁵

¹² "Collected Papers of Charles S. Peirce," edited by Charles Hartshorne and Paul Weiss, Cambridge, 1935, Harvard University Press, 6.102.

¹³ *Ibid.*, 5.429.

¹⁴ *Ibid.*, 5.583.

¹⁵ *Ibid.*, 5.585.

The answer that Peirce found for his own query was not flattering to Harvard, which, he concluded, was no place for scholars but only for "athletes and gentlemen."¹⁶ Ethics had to be substituted for logic in his lectures there, although Peirce knew that logic was the "vitally important topic." Although Peirce spent most of his life in the service of the Coast and Geodetic Survey, in Pennsylvania or in Massachusetts, he preferred to say that he "hailed from New York,"¹⁷ where, perhaps, logic had more of a chance. Logic, Peirce thought, was not the exclusive property of the educated.

Common men carry this *Weltanschauung* in their breasts; and perhaps the pimp, the looting missionary, the Jay Gould may, through the shadows of their degradation, catch now and then a purer glimpse of it, than the most earnest of citizens, the Cartises, the Emersons, the Bishop Myriels.¹⁸

As for Harvard, "that great eleemosynary institution that Massachusetts has established to the end that the *élite* of her youths may be aided to earning comfortable incomes and living softly cultured lives,"¹⁹ it had no place for mathematics. But

the brains of those New York plebeians are coarse, strong, laboring brains that don't know what it is to be free from mathematics. . . . Their vigor of reasoning would surprise you.

But Peirce could see that in other parts of the country a new philosophy was springing up, one that had reverberations in Boston as well. Elsewhere, too, the "earning of comfortable incomes" had taken the place of learning as the chief aim of the young. New York also was having its broad cultural effect on the country. It colored the whole end of the period. "The nineteenth century is now fast sinking into the grave," wrote Peirce, "and we all begin to review its doings and to think what character it is destined to bear."²⁰ He concluded that it came only to this: "that greed is the great agent in the elevation of the human race and in the evolution of the universe."²¹

The conviction of the nineteenth century is that progress takes place by virtue of every individual's striving for himself with all his might and trampling his neighbor under foot whenever he gets a chance to do so. This may accurately be called the Gospel of Greed.²²

¹⁶ *Ibid.*, 1.650.

¹⁷ *Ibid.*, 1.650.

¹⁸ *Ibid.*, 2.118.

¹⁹ *Ibid.*, 1.650.

²⁰ *Ibid.*, 6.290.

²¹ *Loc. cit.*

²² *Op. cit.*, 6.294.

To one who knew as well as Peirce did that the interests of men anywhere must be as wide as mankind, the profit-scramble which he was witnessing foreboded no good future. "Those that have loved themselves and not their neighbors will find themselves April fools when the great April opens the truth that neither selves nor neighborselves were anything more than vicinities," he said,²³ and concluded that "this requires a conceived identification of one's interests with those of an unlimited community."²⁴ No such spirit was even officially in charge in his day. In 1893, in an article in *The Monist*²⁵ he predicted that "the twentieth century, in its latter half, shall surely see the deluge-tempest burst upon the social order—to clear upon a world as deep in ruin as that greed-philosophy has long plunged it into guilt."²⁶ Since he died at the outbreak of the first world war, he could not know how swiftly the logic of events moves through contradictions when these are multiplied by the complex interrelations of a highly industrialized society. But he could see the end of New England culture and the temporary triumph of another, and between the collapse of both he sought to save something of a truth which would be of value to his fellows, perhaps at a later date and in a different place.

New Orleans

²³ *Ibid.*, 4.68.

²⁴ *Ibid.*, 2.654.

²⁵ *Ibid.*, 3.176-200.

²⁶ *Ibid.*, 6.292.

Precursor of UNRRA

Organization of American Relief in Europe, 1918-1919. By Suda Lorena Bane and Ralph Haswell Lutz. Stanford University, Calif.: Stanford University Press, 1943, xxi + 745 pp., \$6.

This volume is Publication No. 20 in the series of the Hoover Library on War, Revolution, and Peace. Again the materials, selected and edited by the Archivist and Research Associate together with the Director of that institution, present a documentary history of a great humanitarian phase after World War I which finds its parallel in the present United Nations Relief and Rehabilitation Administration.

How was the American relief front against famine in Europe organized and administered 25 years ago? The history of the United States Food Administration had already been reprinted in Publication No. 18 of this series (see Vol. 2, No. 3 of this Journal), by the way. The present work answers this question in form of hundreds of actual communications and letters, memoranda and reports which have been chronologically arranged in ten chapters, one for each month of relief operations—November, 1918, to August, 1919. However, this volume describes not only the food situation before the armistice, the negotiations leading up to the establishment of the Office of Director General of Relief at Paris by the Allied and Associated Powers, but its documents refer also to the Children's Relief Bureau, the Allied Railway Mission, the Remittance Plan, the Coal Mission, the European Technical Advisers' Mission, and European Children's Fund, as enumerated in the editors' preface.

In the first of two introductory articles, "Relief in Retrospect," Herbert Hoover, U. S. Food Administrator then, gives a "Résumé of American Relief Operations in Europe 1918-1922" and certain backgrounds of his activities: the lack of experience of large scale international relief on one side, and the existence of charitable organizations helping the official U. S. Food Administration and American Relief Administration. In the second part of his introduction, "We'll Have to Feed the World Again"—which originally was published by Collier's—former President Hoover gives an overall view of the complex organization of American Relief in Europe in the Winter and Summer of 1919. Without discussing the author's conclusions regarding the future task of UNRRA after World War II, according to his own experiences a generation ago, one may remark here that this short account of Hoover's relief administration is most interesting. Directly or indirectly, about 200,000,000 people in the liberated and enemy groups and some 175,000,000 in allied and neutral countries had been saved by it from starvation and disease. "Beyond that, it was the hope that we were giving strength to the frail democracies which had been brought into being, that through them the world might find peace," he says. "We had won victory by arms, and we dreamed that this unparalleled generosity and service by a great nation would set new standards of human relationships in the world."

From Appendix A and B it appears that the personnel of the American Relief Administration did not exceed 900, not including of course Army and Navy men, attached to various missions. Net value of relief granted amounted to over \$2,000,000,000.

PAUL UCKER

Health Work in Hemisphere Development

By GEORGE C. DUNHAM

IN ARMING AND FEEDING many millions of United Nations' fighting men for the decisive battles of the war, the Americas have accomplished one of the greatest productive feats of history. Perhaps, without being immodest, we may call it the greatest productive job in history. Certainly it has brought the greatest development of the productive capacities of the Americas yet seen within the brief space of a few years.

What epic of industrial growth compares with the swift rise of aircraft manufacturing in the United States in these hurried war years? What previous story of industrial expansion, for so short a time, matches the record of expansion in North American productive capacity for light metals, steel, electric power and other basic industries? This industrial expansion explains in large part the amazing rise in output of ships, airplanes, guns, tanks and other fighting equipment. For total war, as we know so well now, is an infinitely complex integration of productive efforts before the showdown battles are fought on the seas, in the air, on land.

And total war likewise has involved the integration of the Western Hemisphere's productive energies as never before in history. Inter-American unity, translated into war-time co-operation for the development of hemisphere resources, means a multitude of details aimed at one immediate objective—increased production of the essentials of war and civilian life. The history of this co-operation and the development of hemisphere economic resources achieved under it, remains to be written. Undoubtedly, it will make a notable record of inter-American co-operative achievements.

It is a record which concerns all the Americas. They have all contributed, in some way, to the mounting tide of material, food and men moving overseas to the fighting fronts. From the other American republics have come much of the minerals, the agricultural and forest products which made possible the tremendous expansion in arms output of the factories of the United States and the British Empire. The development of hemisphere resources in these war years has helped in substantial degree to attainment of the history-making figures on United States production of airplanes, ships, guns and munitions. Inter-American economic development is a big story, a hemispheric story.

Health and Resource Development

AND WHAT I HAVE TO TELL here is a chapter in that story—an account of the rôle of health work in the development of hemisphere resources. The physician and the sanitary engineer move silently in the background of the noisy drama of war. Battles which destroy lives rate the headlines. The physician and sanitary engineer are concerned with saving life. And the deadliest enemy of man, in war as in peace, is disease. The most effective health measures, in war as in peace, are those which prevent and control disease, rather than cure it. So health work, while just as indispensable to winning wars as the making of arms and the use of them on the firing lines, usually lacks the drama of soaring achievements on the production fronts and spectacular battles on the fighting fronts.

That goes for health work in the hemisphere development program, too. Many hundreds of thousands of workers are busy in the other Americas producing copper, manganese, lead, rubber, fibers, quinine, lumber and other materials important to the war effort. What counts most is what the production charts show in way of output. And even the production charts, during war-time bans on publication of trade statistics, are shielded from general view. Yet behind the production curves there is a pulsing story of men at work. And working to keep these men healthy and happy are the physician and the sanitary engineer. To the disease germ, to the malaria-carrying mosquito, man is always fair prey, especially when he congregates in numbers and discovers new ways to move about quickly and extend his social contacts. Thus, in the complex, integrated production of total war, eternal vigilance against disease becomes the price of health, as it is of liberty.

This principle was recognized at the Rio de Janeiro conference of American Foreign Ministers. The conference met in January, 1942, in midst of the most urgent needs ever encountered for development of new and additional Western Hemisphere sources of strategic materials. United States schedules for vast increases in production of fighting equipment meant extra heavy demand for raw materials. In addition, Japanese seizures of Far Eastern sources of tin, rubber, quinine, fibers and other vital materials meant the United Nations had to turn to the Americas for replacements.

Consequently, the Rio conference recommended a great program for collaboration of the American republics in the mobilization of the hemisphere's varied resources. And, as a supporting measure, the conference proposed health and sanitation work to aid the economic development

and the establishment of air and naval bases and other hemisphere defenses.

From that start, the largest health and sanitation program in the history of inter-American co-operation has taken shape. It has risen on the foundations of the pioneering and excellent work done by the other Americas themselves, by the Pan American Sanitary Bureau and by private organizations. These established organizations saw the need for expanded health measures under the Rio development program and lent their generous and indispensable aid to the shaping of the new activities.

Now the fight against disease has assumed truly continental dimensions. The health work adds to the meaning of inter-American unity. In disease, the Americas find a foe more formidable than Hitler. For Hitler, like so many other would-be world conquerors, sees his sun setting, his dream of domination fading before the rising might of the United Nations. The fight against disease, on the other hand, has no conceivable ending, as long as germs and mosquitoes, malnutrition and insanitary environment remain to obstruct the paths of men on the long climb to better living standards.

A Continental Campaign

EIGHTEEN OF THE OTHER American republics have joined forces with the United States in the continental campaign against disease. Where before have so many countries lined up so solidly for a campaign against disease? Perhaps, in this continental array of public health forces, we see in the making in the Western Hemisphere another model for co-operative effort among nations which will be as useful in peace as in war. In the long run, disease control will call for the best the world can achieve in the way of international co-operation.

In this hemisphere, particularly, the development of natural resources for inter-American trade and the expansion of industry requires co-operation among neighboring countries in the control of disease. Communicable diseases do not respect national boundaries. Take as an illustration the Amazon Basin. This immense region of forests, great rivers, sparse population, few roads and trails is two-thirds the size of the United States. It embraces territory of six countries—Brazil, Colombia, Ecuador, Peru, Bolivia and Venezuela. Development of the basin to increase production of rubber, vegetable oils, insecticides, drugs and other forest products depends in part upon the success of inter-American co-operation in improving the health and sanitation conditions of the sprawl-

ing valley. As in so many other tropical and semi-tropical areas of the world, malaria takes the costliest toll of human energy and life in the Amazon.

Now malaria illustrates aptly the need for international co-operation in control of disease. It is carried by various species of the *Anopheles* mosquito. The most effective attack on this destructive disease is by preventive measures, not the cure of the disease, although this is necessary after it has been contracted. And prevention of malaria, like other communicable diseases, requires community, state, national and international control measures. Preventive measures in malaria, for example, require the elimination of mosquito breeding places, screening of dwelling places, stopping the movement of malaria-carriers from one area to another. Sanitation of large communities, shipping points, airports and production centers is the best approach to the long-range problem of freeing the Amazon from this scourge of the tropics.

And prevention of malaria, as well as the cure of malaria sufferers, is the line of approach being taken by Brazil, Peru and other Amazon countries participating in the inter-American health program. The work in the Amazon includes the setting up of malaria control posts, the spraying of mosquito-breeding places, drainage around certain large communities and the training of malaria control personnel.

The Amazon countries are aware of the economic potentialities of the Valley and the need for health and sanitation work to encourage immigration and to safeguard the population already engaged in expanding production of forest products. Loss of Far Eastern sources of rubber, quinine, insecticides and fibers, especially, has turned attention to the Amazon and the raw materials which exist in the tropical forests. Lack of manpower, poor transportation, difficulty of obtaining equipment—in addition to the health problem—all retard development of the area. Still, war demand for Amazon products has given strong impulse to the development of the Valley. The health measures started under the Rio program emphasize this point. Brazil, with the largest economic and territorial stake in the Amazon, takes a long view of Amazon development. Brazil sees the possibilities for peace-time as well as war trade in the vegetable oils, the drugs, the insecticides, the lumber of her tropical forests.

Peru likewise sees long-range economic possibilities in her trans-Andean region of the upper Amazon basin. Even before insistent war demands arose for tropical-grown materials from Latin America, Peru

was moving to exploit more fully her trans-Andean resources. A motor highway has been built across the Andean Mountain ranges from Lima to Pucallpa, linking with the Amazon river navigation system.

In the opening of the region, Peru sees the promise of profitable production of rubber, quinine, jute, rotenone, as well as food crops for domestic use. Oil also exists there. An agricultural research center is rising at Tingo Maria, on the eastern slopes of the Andes. The health work ties in directly with this economic development. Small hospitals have been built at Tingo Maria and Pucallpa. Health facilities will be provided at other points to aid colonization and new productions.

A Preliminary to Colonization

UTILIZATION OF THESE RESOURCES has received impetus from the Rio program and the co-operation of the United States in accelerating the development of rubber, quinine, fibers and insecticides for war-time needs. The health work similarly has speeded the preliminary measures which must be taken before primitive country like the Amazon becomes attractive to colonization and yields food and raw materials. Nothing in this generation has so underscored the problems of transportation, food and health in the Amazon as has the difficulty of moving man-power there for quick expansion in the collection of wild rubber.

Nor can general economic development under conditions encountered in the Amazon and elsewhere in Latin America be carried out as a matter of months or a year or two. Much of the economic development proceeding in the Rio pattern is in mining. And mining, like forest products, brings up problems of transportation, health services, food supply and machinery.

Again, an apt illustration of this aspect of hemisphere development is found in Brazil. The Rio Doce Valley of Brazil is one of the world's richest storehouses of minerals. It is reputed to contain the world's largest deposit of high-grade iron ore, including the celebrated Itabira ores. It also is the source of mica, manganese and other strategic minerals which have been drawn upon to meet United Nations' war needs.

Again, as in the Amazon and other hemisphere areas where development of strategic materials centers, larger use of these minerals riches depends upon transportation. To bring the Itabira iron ores to seaboard for export, or for use in Brazil's own budding steel industry, railroad facilities must be reconstructed and expanded. This rail improvement now is under way. The railroad work has brought thousands of

additional workers and their families into the area. Increased mining activity likewise increases the population. This, in sequence, raises need for health and sanitation services, for food.

The development in the Rio Doce Valley, like that in the Amazon, gets impetus from war need for raw materials. And health work advances in proportionate measure to the acceleration of transportation and mining improvements. Thus, one of the greatest mineral-producing areas of the hemisphere suddenly takes a long stride forward. It was inevitable, perhaps, that some day the world would turn more to Brazil for minerals, including iron. But the insatiable demands of total and mechanized war for metals has brought to the Rio Doce the most powerful impulse toward development experienced in many years, if not since the discovery of the mineral wealth in the area.

Even when war demand for minerals subsides, it is safe to predict the Rio Doce area will have a larger place in the economic life of the hemisphere than it had before the war. Brazil has undergone considerable development of heavy and manufacturing industry in recent years and is pushing toward completion in 1944 and 1945 of the largest steel plant in South America. This plant, the Volta Redonda project, will use Brazilian raw materials, including iron ore.

Minerals for the Future

NEITHER BRAZIL, nor the United States, can think of the mining development as a short-lived program. First of all, nobody can say just how long our war needs for minerals will last. Moreover, it pays for nations to look ahead. It is good insurance for the United States to have Brazil as a potential source of iron even though we have plenty at hand at the moment. Minerals are among the exhaustible resources of the earth. And the gigantic production of war industry the past three years has made the heaviest drain yet experienced for a comparable period upon our mineral reserves. To Brazil we may have to look for larger supplies of minerals in the long-range, just as we have done during recent years, to help meet the increased demand of war industry and the loss of supplies outside the Western Hemisphere.

The longer-range phases of the development in the Rio Doce and Amazon Valleys will be served by a recent five-year agreement between Brazil and the United States, extending the health and sanitation agreement made immediately after the Rio de Janeiro conference in March, 1942. Under the new agreement, Brazil puts up \$5,000,000 in addition

to \$3,000,000 granted by the United States. Most of this work is being done by Brazilians, with a relatively small group of United States physicians, engineers and other specialists lending aid. Brazil has been eager to co-operate in the health work, realizing its importance to the Rio Doce and the Amazon Valleys.

In no other country of Latin America does the development work, and the supporting health and sanitation measures, approach the scale of the Brazilian program. This is natural, considering Brazil's size. With 45,000,000 people, and an extraordinary variety of mineral, agricultural and forest resources, Brazil is one of the world's most promising areas of economic development. Lack of known petroleum and high-grade coal deposits handicap her industrial progress. Otherwise, the diversity of Brazil's resources and the size of the country makes an enormous economic potential. Her rôle in this war as a supplier of strategic materials for United Nations war industry draws attention to this economic potential.

The smaller countries of the hemisphere, too, hold economic potentials. And, as in the case of Brazil, war-time development of new and additional hemisphere sources of minerals, tropical products and food hints of the long-range possibilities for fuller use of the resources of the smaller countries. Every country in the hemisphere has something unique to contribute to inter-American trade and the rise of hemisphere living standards. Inter-American exchange is founded on diversities in climate, soil, geography, mineral, and forest resources. Altogether, the variety of resources and climate and peoples which characterizes the Americas is an unexcelled foundation of economic strength. It makes an imposing stage for development of complementary production, for the expansion of inter-American trade and for mutually beneficial co-operation in the use of natural resources.

The list of materials Latin America supplies North American industry is long. It includes copper, lead, zinc, tungsten, tin, mercury and other industrial metals from Mexico, Chile, Peru, and Bolivia. It includes sisal, henequen and abaca from Mexico, Haiti and Central America; balsa wood and mahogany from Ecuador and Central America; vegetable oils from Brazil, Mexico and Central America; nitrate from Chile; wool, hides and skins from Uruguay, Peru and Argentina. It also includes the increasing production of rubber, quinine and rotenone-bearing plants in the tropical Americas.

In the tropical countries, health and sanitation measures have special

significance in industrial development, as the experience of private corporations amply has shown. The malaria menace alone requires much attention to sanitation. Consequently, the numerous health centers, malaria control projects, dispensaries, sewage and water supply projects and the training of personnel undertaken in the smaller countries were planned with the objective of making the new facilities of maximum value for economic developments. Frequently, it is not practical to service directly an economic project, even though it rates as of prime strategic value. Fiber-growing in Central America and Haiti for instance, embraces large rural areas. Still, workers on fiber projects share the benefits of malaria control, of services afforded by new health centers and dispensaries located at convenient points.

A Charge on the Community

THIS CALLS ATTENTION to the inherent characteristics of health work. The benefits of disease control are widespread. Like rain from heaven, the benefits of disease control fall upon the good and the bad, the poor and the rich. This is especially true of malaria control. Costs of health work, considering the scope of the benefits which result, properly are an over-all charge on the community, rather than a charge against a specific type of development, such as rubber or mining or fiber-growing. This principle was recognized in the Rio conference. So the conference proposed co-operative health and sanitation measures, in accordance with the capacities of individual countries to contribute funds, technicians, labor and materials.

Like total war in the Machine Age, economic development in the Americas requires complex integration. Health is only one phase. Transportation also is of prime concern. This has been pointed out in the account of the work in the Rio Doce and Amazon Valleys.

And transportation, like health and sanitation work, has been improved in many areas to facilitate economic development. Most impressive is the rapid war-time extension of air transport. Work has been pushed on the Inter-American Highway in Central America, on remaining gaps in the Pan American Highway in Ecuador and Colombia. Mexico is doing a great deal of road building, including new links in the Inter-American Highway south of Mexico City to make a continuous motor route from the United States through Mexico and Central America, toward the Panama Canals.

The extension of Inter-American highways and air transport creates

new health problems. As travel across international boundaries increases, so does the danger of the spread of insect-borne and other communicable diseases. Every great advance in communications among nations brings new health problems and more need for international co-operation in controlling the spread of disease. A dramatic instance of this is the heavy war-time air traffic to and from Africa by way of Brazil's "bulge." Brazilian authorities have arranged with the United States army to co-operate in sanitary measures designed to prevent the transmission of insect-borne diseases from Africa to Brazil.

Similarly, the increase in travel and freight which may be expected as inter-American air and highway transportation improves will necessitate closer co-operation among the countries of this hemisphere in the control of malaria and other diseases, in the provision of safe water supply and in disposal of sewage. These problems already have been considered in the inter-American health and sanitation program. The work in Mexico and Central America, for example, is intended in substantial part to meet the need for health and sanitation facilities along the route of the Inter-American Highway.

Air transport—and the postwar prospect that air travel and cargo services will continue to expand—opens the way to new questions of disease control, quarantine regulations and co-operative action among nations. For air transport is the ultimate in progress in surmounting the barriers of nature, as is well demonstrated in the growth of air services across the jungles, the mountains and roadless plains of Latin America. The airplane is of opportune value in speeding the war-time development of hemisphere resources. Air transport makes it practicable to move physicians, engineers and supplies quickly into the heart of the Amazon country. And new airports and landing fields springing up in the other Americas demand attention in the planning of health projects and malaria control.

Lessons in Co-operation

FROM THE COMPLEXITY of war-time development problems the Americas have learned invaluable lessons in co-operation. That applies to health as well as other phases of development under the Rio program. New instruments of inter-American co-operation have come into being.

The United States, through the Office of the Coordinator of Inter-American Affairs, found it necessary to organize a corporate medium as a channel for collaboration in working with the other Americas in war-

time health and food supply projects. This entity is the Institute of Inter-American Affairs. Corresponding agencies have been set up in most of the other countries participating in the health work. These agencies are integral parts of the governments of the respective countries. They represent the creation of additional government facilities for health and sanitation work. They especially represent the extension of inter-American co-operation in the field of health and sanitation. These new agencies are known in the other American republics as inter-American co-operative health services.

Furthermore, the war-time work has brought about a large and mutually beneficial exchange of professional knowledge among the Americas. Some 200 United States physicians, sanitary engineers and other specialists have been assigned to neighboring republics by the Institute of Inter-American Affairs. Mostly they take to these countries specialized knowledge and experience in tropical medicine, in sanitation, in medical practice. They work with the 3,200 physicians, engineers and technicians of the other Americas who comprise the bulk of the professional and technical skill in the inter-American program. Altogether, more than 13,000 persons are at work in the program.

In addition, 125 physicians, engineers and medical technicians have been invited to the United States by the Institute of Inter-American Affairs for advanced studies and training, for observation of United States practices in medicine and sanitation. United States physicians find new opportunities for study of tropical diseases and special medical problems in Latin America. The result is extensive interchange of medical knowledge among the Americas. It is logical to expect this will lead to more uniformity in public health work in the hemisphere, which will simplify the problems of inter-American co-operation in the control of disease.

American practice in public health work tends to emphasize preventive measures, rather than cure. This is highly important for the future of public health work and economic development in the Americas. As the emphasis is put upon preventive measures, rather than the cure of disease, this hemisphere will make faster progress toward the control of malaria, tuberculosis, typhus fever, smallpox, yaws and many other diseases.

What can be accomplished by using the preventive approach is historically recorded in the building of the Panama Canal. That great engineering project did not get far until medical science, after the turn of the century, had discovered the rôle of the mosquito in the spread of tropical fevers. Then it became possible to apply the methods of pre-

ventive medicine, rather than cure. And with preventive medicine, it became practical to move construction workers into the Panama Canal on a large scale and carry to completion the canal. The importance of the canal to the economic development of the hemisphere meanwhile has become generally appreciated.

The Story of Chimbote

TODAY THERE ARE many development projects in Latin America, under way or in the blue print stage, which are reminiscent of the Panama Canal in their disease control problems. Of course, tropical medicine has moved a long way forward since the day of Dr. Walter Reed and of Surgeon General William C. Gorgas, U. S. A., and the building of the Panama Canal. And the Americas have learned lessons from the Panama Canal. Still, there is much to be done. Perhaps I can illustrate with the story of Chimbote, on the northern coast of Peru.

Now Chimbote is a town of only about 4,000 people, mostly farmers and fishermen making a living in the simple way inhabitants of the area have lived for generations. But Chimbote is a natural port outlet for Peru's Santa River Valley, with its good coal deposits, hydro-electric power potential and irrigation possibilities. Peru is one of the largest metal producers in the hemisphere. Chimbote definitely holds promise of industrial development. And Peru is planning to realize this promise, tying together hydro-electric with irrigation, coal and other development projects. Some day, as these plans are carried out, Chimbote will become a sizable community, certainly one of the more important in Peru.

But Chimbote, like the Panama Canal, must conquer malaria, must have safe water supply and sewage disposal facilities before the promise of industrial development can be fulfilled. Otherwise, men cannot work efficiently in the town. A survey among the school children of Chimbote showed unusually high incidence of malaria.

And that is why health work is under way in Chimbote. It is preparation for future industrial development. The work in Chimbote is being done by Peru's special inter-American co-operative health service, with the aid of United States physicians and sanitary engineers.

A few months ago a steamer stopped at Chimbote. It loaded 200 tons of anthracite. Neighboring countries, short of coal as a result of the loss of imports from Europe and the United States, can use Peruvian coal. The arrival of that steamer to take coal at Chimbote was significant. In a small way, it symbolized what is happening in the development of the hemisphere's varied resources.

And equally symbolical is the work going on behind the coal-loading bins. This is the work of draining off malaria swamps which surround the community. The drainage work, together with the construction of hospital, water and sewerage facilities, marks an early milestone on Chimbote's way to industrial prominence. Like the Panama Canal, Chimbote must pass the milestone of disease control before the major development begins.

Office of the Coordinator of Inter-American Affairs

Henry George: "Social Problems" and the Walker Controversy*

By ANNA GEORGE DE MILLE

WHEN HENRY GEORGE RETURNED to the United States after a year's absence, he found himself rapidly acquiring fame. He was very little richer than when he left home, but the publicity given his arrests in Ireland and his success as a speaker and as a writer had made him better known. He was written up voluminously in the newspapers, and interviewers dogged him. The labor unions gave him a formal welcome in Cooper Union.

After this meeting, a ten-dollar-a-plate banquet was tendered¹ by leaders in science, letters, politics and law at what was then the most fashionable restaurant in New York—Delmonico's. The toastmaster was the Hon. Algernon S. Sullivan, and the speakers included Judge Wm. H. Arnoux, Judge Van Brunt, the Rev. Henry Ward Beecher, Thomas G. Shearman, Andrew McLean, Francis B. Thurber, Thomas Kinsella and Representative Perry Belmont. Henry George, mistaking the hour, arrived at his party late, and although he was carefully dressed in smartly cut evening clothes, he appeared at this most important event with dusty shoes.

George seized the occasion, the newspaper reports show, to plead for his reform. One reporter wrote:²

In introducing Mr. George, Mr. Sullivan . . . said he had "been to a great many dinners in that room. . . . Never before in all New York had representative men from all the classes of Society been assembled for the single purpose of making an acknowledgement to one whose sole claim to fame was that he was a philosopher and an author." . . . When Mr. George arose he was greeted with three cheers, the whole company rising to deliver them. He began by saying he could hardly express how much he appreciated the compliment tendered him.

"You honor me for my ability and personal worth—so your invitation runs. I have read in the newspapers that I am a communist, a disturber of social order, a dangerous man, and a promoter of all sorts of destructive theories."

According to another reporter present, he continued:³

* Copyright, 1944, by Anna George de Mille. A section of a previously unpublished study, "Citizen of the World"; see AM. JOUR. ECON. SOCIO., 1, 3 (April, 1942), p. 283n.

¹ On Oct. 21, 1882.

² In *The New York Times*, Sunday, October 22, 1882.

³ *The New York Herald*, Sunday, October 22, 1882.

"What is the terrible thing I want to do? I want in the first place to remove all restrictions upon production of wealth and in doing this I want to secure that fair distribution of wealth which will give every man that which he has fairly earned. What I contend for is that the man who produces, or accumulates, or economizes; the man who plants a tree, or drains a marsh, or grows a crop, or erects a building, or establishes a business, should not be fined for so doing; that it is to the interest of all that he should receive the full benefit of his labor, his foresight, his energy or his talents. In other words, I propose to abolish all taxation which falls upon the exertion of labor or the use of capital or the accumulation of wealth, and to meet all public expenses out of that fund which arises, not from the exertion of any individual, but from the growth of the whole community. . . .

"Consider, Gentlemen, how this city would grow, how enormously, wealth would increase, if all taxes were abolished which now bear on the production and accumulation and exchange of wealth. Consider how quickly the vacant spaces on the island would fill up could land not improved be had by him who wanted to improve it, without the payment of the prices now demanded."

Many of the most distinguished names in New York were listed on the engraved, gold-framed "address" presented to the guest of honor afterward, and although some of their bearers had had no real conception of what Henry George stood for, the function afforded great encouragement to the protagonist.

Months before, while George was still in Europe, Michael Davitt had visited the United States in quest of money for the cause of Ireland. In the opening speech of his campaign, at the Academy of Music, in New York, on June 26th, the Irish leader seemed to feel it incumbent on him to refute the charge that he had "fallen into Mr. George's hands."⁴

On this occasion, the Rev. Dr. Edward McGlynn, rector of one of the largest Catholic churches in the city, St. Stephen's, on East Twenty-ninth Street, was the next speaker. He came out openly for George's solution of the problem of economic injustice. The priest's address made a sensation, as did those he made at three other of Davitt's meetings. In the second of these, Dr. McGlynn rebuked the Irish leader: "Michael Davitt is only a pilot engine that goes before the head of the train. Let him not apologise for the truth that is in him," and stated: "I am entirely of the opinion of Henry George as a matter of political economy . . . the plan of Henry George and Michael Davitt is the true one."⁵

Again, at a huge meeting held in Union Square, on July 5th, he exhorted Davitt to

⁴ *The Irish World*, July 1, 1882.

⁵ *Ibid.*, July 8, 1882.

explain not away one tittle of it, but preach the gospel in its purity! It is a good gospel, not only for Ireland, but for England, for Scotland and for America, too. And if in this country we do not yet feel quite so much the terrible pressure of numbers upon the land, the same terrible struggle between progress and poverty, as is felt in other lands, no thanks are due at all to our political system, but thanks only to the bounties of nature, and to the millions of acres of virgin lands with which God has blessed us. But when these virgin lands shall have been occupied; when the population shall have increased here as it has elsewhere in proportion to our extent of territory, we shall have precisely the same problem to solve, and the sooner we solve it the better. And so I quite agree with Henry George to the full and with Michael Davitt to the full and lest any timid, scrupulous soul might fear that I was falling into the arms of Henry George, I say that I stand on the same platform with Bishop Nulty, of Meath, Ireland.⁶

Such utterances as these, from a man adored by a large congregation, not only for his generosity and goodness, but for his great learning and eloquence, could hardly go unnoticed by the "vested interests" or by those working against the Irish cause. Soon word came from Cardinal Simeoni, Prefect of the Propaganda in Rome, ordering the priest's suspension unless Cardinal McCloskey, in New York, should decide otherwise. An interview followed with Cardinal McCloskey. Dr. McGlynn, although unconvinced that anyone had the right to forbid him, realized that his ecclesiastical superiors had the power to curb his usefulness in the ministry of the church. He promised his ordinary that he would abstain from making Land League speeches.

The priest's acceptance of his teachings meant very much to George, and he had written from Ireland: "Sure as we live the world is moving. A Power infinitely superior to ours is forcing it on!"⁷

Shortly after George returned to New York he called on Dr. McGlynn. He found in the tall, handsome, dark-haired priest, a man of resonant voice and gracious manner, the strength and sympathy that had made him such a power with his huge flock. And the meeting convinced Father McGlynn that "Mr. George's genius and intellectual gifts do not exceed his gifts and graces of heart and character and his profoundly reverent and religious spirit."⁸

But a few weeks after meeting Father McGlynn, George lost a beloved

⁶ *Irish World*, July 15, 1882. See Henry George, Jr., "The Life of Henry George," New York, Robert Schalkenbach Foundation, 1944, p. 385. Cf. also, Stephen Bell, "Rebel, Priest and Prophet," The Devin-Adair Co., New York, 1937, pp. 26-7.

⁷ To Patrick Ford, Aug. 3, 1882. Letter book no. 4, p. 83, Henry George Collection, New York Public Library (hereafter abbreviated as HGC).

⁸ Letter written by McGlynn to Archbishop Corrigan, Sept. 9, 1886, and printed in *The Standard*, New York, Jan. 8, 1887, Vol. I, no. 1, p. 1.

friend and advocate in the death of Francis George Shaw.⁹ The loss of this learned co-worker, who had been such a bulwark in time of need, hurt George deeply. As a last reminder of Shaw's faith and generosity came a gift of \$1000 in his will, for the younger man, his "proxy." "What a curious life mine is," George told a friend, "literally from hand to mouth; yet always a way seems to open."¹⁰

The Shaw bequest, he believed, was intended to relieve him from the strain of turning out pot-boilers. Turning down Charles Nordhoff's proposal that he run for Congress, early in the new year he started work on a book dealing with the tariff question. This, however, did not take up his whole time and he wrote an article for *The North American Review*¹¹ on "Money in Elections." It advocated the Australian secret ballot system, a reform he had urged twelve years earlier.¹²

The cheap English edition of "Progress and Poverty" having been so great a success, the author was able to negotiate an American twenty-cent paper-covered edition through the publishing house of John W. Lovell. "The Irish Land Question," paper-covered, at ten cents a copy, followed. But because this latter did not deal exclusively with Ireland it was called, from then on, "The Land Question." Both books had a large circulation. George received a royalty of ten per cent—the same rate as he did from Appleton for the more expensive edition. But he gave away so many copies and made such large discounts and concessions to those who bought in quantities for propaganda purposes that his own earnings were small.

On both sides of the Atlantic the work was humming. George wrote Taylor:

In England our ideas are spreading with extreme rapidity. A Birmingham gentleman, Thomas F. Walker, states that he himself has bought and distributed to the active men of the Liberal party two thousand three hundred copies of "Progress and Poverty."¹³

By 1883, the Knights of Labor, an organization which had started in 1869 among the garment workers of Philadelphia, had gained widespread and open power, with local branches all over the country. In New York, T. V. Powderly, Grand Master of the Order, came out enthusiastically for the doctrines of Henry George. In his annual address, delivered on September 6, 1882, he had said:

⁹ On Nov. 7, 1882.

¹⁰ Letter to Dr. Taylor, Jan. 17, 1883, HGC. See Henry George, Jr., *op. cit.*, p. 403.

¹¹ *Op. cit.*, March, 1883.

¹² In "Bribery in Elections" in *The Overland Monthly*, December, 1871. See A. G. de Mille, *AM. JOUR. ECON. SOCIO.*, Vol. 2, No. 3, p. 377.

¹³ New York, April 28, 1883, HGC.

In my opinion the main, all-absorbing question of the hour is the land question. . . . The eight hour law, the prohibition of child labor and the currency question are all of weighty moment to the toiler. But high above them all stands the land question. . . . You may make the laws and own the currency but give me the land and I will absorb your wealth and render your legislation null and void. . . . Give heed to the land question. . . . It were better to be called a communist than to be a party to the plundering of a people of the inheritance ordained for them by God.¹⁴

Powderly was instrumental in having copies of "Progress and Poverty" and "The Land Question" placed in the local assemblies of the organization. In this way the American laboring man became acquainted with "Georgism."

About this time Allen Thorndike Rice of *The North American Review* proposed that George edit an economic weekly.¹⁵ After serious consideration, however, George refused the offer and instead made an arrangement with *Frank Leslie's Illustrated Newspaper* to write thirteen articles for \$100 each.

These articles, "Problems of the Time," starting with the April 11th issue, dealt with different aspects of economic questions. The fifth one, discussing "The March of Concentration,"¹⁶ showed that there was an increase in the size of land holdings in the United States, and that the Census reports for 1870 and 1880 contradicted the figures which were given to prove that the average size of farms were decreasing and therefore that they were unreliable and worthless. Both censuses had been superintended by Professor Francis A. Walker, who had held the chair of Political Economy at Yale and had been president of the Massachusetts Institute of Technology. Professor Walker was the author of learned books on history, economics and statistics.

Irate because of the aspersions cast upon his work, Walker wrote to *Leslie's*, offering to send George "a more elementary" study, "illustrated with diagrams, to prove that the average size of farms was decreasing."¹⁷ In the same periodical George replied; Walker rejoined, and George rebutted. *The New York Sun* found the controversy amusing because, while they considered George suave and dignified, "his opponent squirms and sputters as one flagrant blunder after another is brought forward and the spike of logic is driven home through his egregious fallacies."¹⁸ And later the Census Bureau admitted that the 1870 table had been based on

¹⁴ *Loc. cit.*, p. 282.

¹⁵ See Henry George, Jr., *op. cit.*, pp. 408 ff.

¹⁶ May 12, 1883.

¹⁷ HGC, Box II.

¹⁸ *Loc. cit.*

improved area, while that of 1880 was on total area, which made Walker's comparison of the two untenable, and proved George's charge of carelessness.

After these thirteen *Leslie's* articles were finished, George, arranging them as chapters and adding eight more chapters and a conclusion, brought the whole out as a book entitled "Social Problems." He dedicated it to the memory of Francis G. Shaw. He sold the English copyright for £400 cash and wrote to Taylor: "This makes nearly \$3600 I have had out of the book before the first copy is issued, which is a considerable difference from 'Progress and Poverty' "¹⁹ And some weeks later: "I did let 'Social Problems' go too low; but I wanted the money badly and snapped at the first good offer. But I rely on the United States to give me more."²⁰ Easy to read, this book was the one the author himself used to prescribe for beginners in political economy as a preliminary to tackling "Progress and Poverty."

It was before "Social Problems" was published, however, that he had told Dr. Taylor: "I have met with a misfortune. You know I put a considerable work this spring on a free-trade book. I have lost the manuscript. . . . It cannot be found anywhere and has evidently gone into the ash barrel."²¹ The family was boarding at the time and the precious work, written in longhand, which would have made about one hundred printed pages, disappeared when his study was "cleaned." He referred to it again to Taylor:

Writing well on exact subjects is of all work the hardest. Yet I should be delighted if I could see my way clear to keeping at it. How blessed are they for whom the pot boils of itself! I have now just \$25 in the world, about half a week's living with economy; no, not that. However, this is no new experience for me. That ms. is a very serious loss even in the financial aspect.²²

He spent no time ruing his loss, however, but set himself to reading thoroughly Adam Smith's "Wealth of Nations," with the idea of abridging and annotating it. He started the work but never was able to finish the annotation.

The widespread attention his own books were receiving, the acclaim he was getting as an authority on world affairs, did not change the simplicity of the man or make him forgetful of the tender things of life. During

¹⁹ From London, Jan. 5, 1884, HGC.

²⁰ From Inverness, Scotland, Feb. 22, 1884, HGC.

²¹ Letter from Brooklyn, July 27, 1883, HGC.

²² Aug. 1883, HGC. Quoted by Henry George, Jr., *op. cit.*, p. 411.

separations from his wife there was a steady stream of letters—almost daily—between them. After they had been married for twenty-three years he could write to her:

You used sometimes to say that you liked to feel necessary to me. You don't know how thoroughly that wish is gratified. I know it ever when I am with you; but feel it more when I am away. I often think how more and more you have grown into my life, so that in everything that draws a man there is only one woman in the world to me. I not only love you with all the fervor I did when I first clasped you to my heart; but with a deeper love. I have learned to respect your judgment and value your advice: your caresses if they cannot seem more sweet seem more needed, and even when you assume the imperious tone and art of the mistress there is a charm I would not feel from any one else. I think the people who grow tired of each other are never truly married. There is in the perfect confidence—the absolute oneness of the truly married something which far surpasses any fresh charm.²³

All through the years he had kept in close touch with his people in Philadelphia, sending financial help as often as he could. The bond between him and his father had not weakened with time and the latter's interest in his career had been a continuing comfort, although the elder man, nearly eighty years old when "Progress and Poverty" was published, never completely understood the book nor realized its full import. This lack of intellectual kinship was felt by his mother, although she, like her husband, gloried in the acclaim and appreciation accorded to the son.

His sister, Kate, and her husband, Jerry Chapman, were the members of his generation who most completely comprehended not only his proposed fiscal reform but his philosophy as well—and enthusiastically championed both. However, any mental or spiritual loneliness the economist may have felt because his family failed somewhat to understand his work, was outweighed by their devotion, which deepened with the years.

In thanking Henry for a present received on his eighty-fifth birthday, the father wrote of memories clear—

as if it was only last week when you came to me saying that you would go to California and that you would try your fortune there. I did not object; and now the result has been all I could have wished.²⁴

This was the last letter he was to write to his son: a few days later he was stricken with pneumonia. All his children gathered around the bedside of the patriarch in time to receive his blessing before he died. One week later, his wife, made ill by grief, died. And Richard Samuel Henry

²³ London, 1884, undated (private collection of the writer).

²⁴ Oct. 17, 1883, HGC. Henry George, Jr., *op. cit.* p. 416.

George and Catharine Vallance George, who had been partners through their long life together, were buried in the same grave, in Mt. Moriah Cemetery. Certainly the peace and serenity of the passing of his parents did much to confirm Henry George in his faith in a life hereafter, and in resignation to death.

New York

• R E V I E W S •

Whither Property Tax Reform?

Intergovernmental Fiscal Relations: A Report Submitted to the Secretary of the Treasury, Jan. 1, 1943. By Harold M. Groves, Luther Gulick and Mabel Newcomer. Washington: Government Printing Office, 1943, 6 vols.

Three distinguished students of public finance—Harold M. Groves, Luther Gulick, and Mabel Newcomer—aided by a notable list of special advisors, staff members, and consultants, have produced this six-volume document. Its remarks on the recasting of the general property tax are of special interest. It would be rash of me to set my judgment against the combined wisdom of the able authors of this important report. The great complexity of the general property tax problem must be apparent to anyone who has given the subject even cursory study and who is not seeking Utopia through a preconceived panacea.

Lacking such a panacea, I believe my best service is to propound some questions based on the recommendations of this Treasury Department Committee.

1. The Committee says that the general property tax "broke down badly during the recent depression." As a matter of fact, did not this tax show remarkable resiliency, considering how many other pillars of society were crashing during those years of panic and pessimism? According to Dun & Bradstreet's report on "Trend of Tax Delinquency, 1930-1942," the median year-end delinquency of current property taxes in 150 cities of over 50,000 population rose to only 26.35% in the worst year of the depression (1933); and a substantial part of this delinquency was, of course, collected in subsequent years. Indeed, for most of these cities the tax collections since 1935 have averaged more than 100% of the current year's levy.

2. "The property tax might perhaps be broken down into its elements, and its uniform application to all owners on the basis of holdings be abandoned," says the report. But I do not find any discussion by the Committee of the vital distinction between the two major elements in the real estate tax—land and improvements. Do not the members of the Committee favor a higher rate of taxation on community-created land values than on individually created building values? If not, why not?

3. The Committee suggests "a collection from landlords in the nature of a service charge for local benefits to property, and a further collection, more personal in character, from occupants on their rental value of occupancy." The service charge idea is, of course, working well in the case of municipally-owned utilities whose services can be metered—water, electricity, gas, and in some cases sewerage. Garbage collection might be added. But has the Committee been able to work out to its own satis-

faction a schedule for such services as education, public health, and police and fire protection?

4. A tax on rentals, from which unused properties would be exempt, is suggested by the Committee as a device worth considering for adding to property tax revenues. The Committee seems very doubtful of the wisdom of this proposal, and points out several possible difficulties and weaknesses. But in addition to those cited, does the Committee question the fact that an occupancy tax if applied—as it should be—both to rented and owner-occupied property would not give "tax relief for real estate" except to unused, vacant, or substandard property, and that a low tax rate thus applied would encourage the continued holding of such lands out of socially-valuable use?

5. I am glad that this report by the Treasury Department's Committee on Inter-Governmental Fiscal Relations advocates greater rights than most cities now have "to tax their own citizens as they please within the property tax area." Would the members of the Committee, I wonder, be willing to say whether they would see any objection to an experiment by some state with an enabling act under which municipalities would be empowered, if they so wished, to adopt some such form of occupancy tax as the Committee discusses, but with the stipulation that any reduction in the ad valorem tax that the occupancy tax might make possible would be made by a reduction of the tax rate on improvement rather than on land values?

The Committee recommends that the whole subject of independent local revenues should be given fresh and bold reconsideration. If the foregoing suggestions are not fresh and bold enough, I shall be glad to try again.

HAROLD S. BUTTENHEIM

South Wales as a Blighted Area

Grass on the Slag Heaps: The Story of the Welsh Miners. By Eli Ginzberg.

New York: Harper & Bros., 1942, 228 pp., \$2.50.

Today, the long, deep valleys of the "Men of Harlech" echo with the clink of the miners' picks, and at night the sky is lit by the glare of the blast furnaces. South Wales is at work again after twenty years of idleness. But the present revival in no way detracts from the value of Dr. Ginzberg's work. The problem of blighted areas is a recurring one—one which we shall again face with the ultimate shift to peacetime industry.

This book is a study in the mobility of labor between 1920 and 1939. South Wales was chosen for the investigation because it offered the most striking example of severe unemployment and low wages in close proximity to regions of good earnings and increasing demand for labor.

The mining industry of South Wales began around 1850 and reached its peak of expansion in 1913, after which it steadily declined. War disrupted prices, costs and markets and the demand for coal had lessened, due in part to the increased use of oil as fuel. Between 1929 and 1936, for example, the amount of coal taken out of these pits fell 14 million tons.

After the general strike in 1921, many mines failed to open. Others reopened, but with reduced opportunities for employment, and there began a slow migration to more prosperous communities. Later, as conditions worsened, the government tried to speed the migration by offering small subsidies to those willing to leave the valleys. Still later, when a state of absolute destitution had been reached, centers were opened to rehabilitate the miners and teach them new trades, but of all the efforts to siphon surplus labor to other areas, the only one achieving appreciable success was with juveniles between the ages of fourteen and eighteen years.

Industry was then coaxed to leave the crowded Midlands and London and locate around the mouths of the dead collieries. But the inducements offered were small and did not compensate for unsuitable sites and inadequate transportation facilities. Moreover employers proved unwilling to hire men who had literally forgotten how to work. Only a few industries moved and, of these, some soon left.

Dr. Ginzberg points out that many things must be considered in seeking to explain why the economy of South Wales continued to stagnate while the rest of Britain made fair recovery. The highly imperfect system of unemployment allowances enabled the people, without working, if not to flourish, to at least survive. The propaganda of pressure groups, each more anxious for self-perpetuation than for the common good, indoctrinated the miners with timidity toward change. Not to be ignored was the undeniable fact that the Welsh were not altogether welcome beyond their own borders. Strong trade unionists, they were suspected of preaching the gospel wherever they went. Also, single instances of boorish conduct were unjustly charged against the whole people, as is often the case with minorities.

In summing up, Dr. Ginzberg accuses British democracy of being unwilling to pay the price to save South Wales. Had a correct analysis been made of the situation, had a dynamic program for action been formulated, had "the miserliness of the wealthy, the incompetence of the reformers and the stodginess of the bureaucrats" been swept aside by forceful leadership, he believes, the twenty-year blight that all but ruined the area might well have been avoided.

V. G. PETERSON

Russia's Economy and Society

Management in Russian Industry and Agriculture. By Gregory Bienstock, Solomon M. Schwartz and Aaron Yugow. New York: Oxford University Press (for the Institute of World Affairs), 1944, 183 pp., index, \$3.

Russia's Economic Front for War and Peace: An Appraisal of the Three Five-Year Plans. By Aaron Yugow. New York and London: Harper and Brothers, 1942, 279 pp., index, \$3.

Russia and the United States. By Pitirim A. Sorokin. New York: E. P. Dutton & Co., Inc., 253 pp., index, \$3.

The Soviet Experiment. By Harry Best. New York: Richard R. Smith, 1941, 120 pp., \$1.25.

Of "Management in Russian Industry and Agriculture," it should be noted at the outset that the research project of which it is the report was conceived and initiated by Professor Arthur Feiler of the Graduate Faculty of the New School for Social Research, New York, whose death in 1942 deprived the undertaking of the member uniquely fitted to synthesize its materials. His loss is evident throughout. The book is intended to be a factual analysis of the machinery of management of the single industrial plant and the single collective farm in the Soviet Union. The facts are accurately presented. Some of them should be commonly known. But both the familiar facts and the unfamiliar ones lack meaning and significance because the book avoids, possibly through apprehension, an analysis and interpretation of these facts relating to management of the individual plant within the aggregate economy. Moreover, it fails to correlate the operations of these enterprises with world economic tendencies. Thus the avowed purpose contains its own weakness. It gives a truncated appearance to the nature of the enterprise, for the individual plant cannot be viewed outside the aggregate economy and divorced entirely from the historic and political milieu.

The work is one of a series of international studies to be published by the Institute of World Affairs, established by the New School and headed by Professor Adolph Lowe, executive director of research. Its contents have been adequately reported in the daily press and may be summarized as follows: The plant manager is boss within his own plant and has a free hand in directing its operations, subject to certain limitations. Chief of these is the State's over-all planning and price-fixing, the policies of which are determined according to political rather than economic norms. Also important is his own need for establishing required production records, measured by profits, on the basis of which he is rewarded or punished. He is responsible to the higher economic organs of the State for the operation of the plant and the quality and quantity of production. Beyond this, he hires and fires, promotes and demotes, fixes the norms of piece-work pay, organizes training, directs "socialist" competition, and decides on working and welfare conditions. He is no longer subject to the restraints of labor union officials, which now concern themselves with promoting labor productivity, or to those of Communist party officials, who act as his aids in carrying out his policies. But the latter change has occurred because most of the managers now belong to the dominant group, the Communist party. In 1936, the party embraced 100 per cent of all chiefs of trusts, 97 per cent of all enterprise directors, 82 per cent of all chiefs of construction, 40 per cent of all chief engineers. As in former times the emperor parcelled out his territories to lesser chieftains whom he could trust to produce the tribute needed for the State, so it is with the industrial empire of the

totalitarian State. The result of this change in the status and power of the manager is an increase in efficiency for Russian industry which augurs continued improvement in the future, since it permits introduction, within limits, of the techniques that have been developed in the science of management in capitalist countries.

Dr. Schwartz holds that the industrial managers have become the nucleus of which might develop into a privileged and ruling class. There is no doubt that an elite is emerging in Russia, but it remains to be seen what place the military leaders and the engineers will have in it. Mr. Yugow points out, in his study of the kolkhoz, the collective farm, that the directors of these agricultural enterprises and of the State farms have an increasingly important rôle in the economy. For he notes that these have achieved a rise in output, an improvement in land productivity, a recovery in livestock breeding and greater stability in yields. This, he says, despite the ruthlessness of collectivization, may be ascribed to reorganization of agriculture into large mechanized enterprises using modern techniques.

This work may be recommended as a collection of facts lucidly written, but which are not viable. Mr. Yugow's section, the most interesting, is for the most part a summary of what he had written on the subject in "Russia's Economic Front for War and Peace," and the subject is better presented in the latter work. Professor Jacob Marschak, in his introduction, tries to give the book a certain cohesion and meaning. His effort is interesting, but it does not supply the lack.

In "Russia's Economic Front for War and Peace," Mr. Yugow gives a valuable description of the Russian economy. Besides his notable chapter on the reconstruction of agricultural economy, he discusses the underlying ideas of the first, second and third five-year plans, the industrialization of the country during 1929-41, internal commerce and rationing of consumers' goods, foreign trade, finance, the geographical distribution of industry, labor, standards of living, the social composition of the population, State planning, trends in the development of the social order, and the impact of the war on the economy.

Professor Sorokin's book is an amazing collection of information and misinformation about Soviet society. Overlooking completely that Russia has a State-dominated society, and that the Russian State, instead of withering away, is stronger than ever, he argues that the United States and Russia have fundamental norms and values which are, in any important sense, non-conflicting. The book is typical of the wishful thinking of Russian democrats and monarchists in exile. He asserts that Marshal Stalin has liquidated the revolution, but the facts would indicate that, by removing many unnecessary impediments, the Soviet leader has entrenched it.

Professor Best's book remains the most realistic survey of the Russian economy and society. Its whole development passes in brief, but measured review, in his work and to its interpretation he brings the resources of a frankly inquiring, scholarly mind. One of his conclusions should be quoted. Noting that "in Soviet Russia we find one of the two extremes possible in men's governing of themselves—the absolutist, or totalitarian,

or complete State control—the farthest, perhaps, in this direction that they have ever gone,” he declares:

“. . . In more than one particular the Soviet experiment offers a challenge to the rest of the earth. If the Soviet order be found wanting, and the order prevailing elsewhere is to survive and to constitute the future pattern for man, the world will do well to give itself a heart-searching examination in the light of Soviet efforts, and to learn better therefrom what it lacks and how it may take measures for improvement and reform.”

Taboos and Cultural Evolution

Taboo. By Hutton Webster. Stanford University: Stanford University Press, 1942, xii + 393 pp., \$4.

The word “taboo” entered English speech from Captain Cook’s fascinating narrative of his third and last voyage to the island world of the Pacific. In 1888 James George Frazer contributed to the ninth edition of the *Encyclopaedia Britannica* a brief article dealing with the system of taboo, especially as it appeared in Polynesia, its peculiar home. Noteworthy contributions to our knowledge of the subject have since been made by Frazer himself and by other students of primitive magic and religion. Webster’s study is the latest and the best distinguished contribution to this literature of social anthropology by its comprehensive treatment of taboo as a phenomenon of wide prevalence. The customs considered here are mostly of unknown origin and of unknown antiquity. Many of them, particularly those relating to reproduction, death, and the dead, must be very old, reaching back into the childhood of the race. Though often fantastic and absurd and sometimes lewd and cruel, they nevertheless are, as Webster shows, the most imperative of primitive observances, to which the savage accords the most implicit obedience.

Webster’s main concern has been to show how important a place taboos hold in the cultural evolution of mankind. Well written, with much shrewd comment, Webster’s volume is characterized by a magnificent virtuosity in the management of its material. In general, one cannot admire too much the skill with which the mosaic is put together out of its thousand details.

JOSEPH S. ROUCEK

Pioneer Community Life

Tales of the Pioneers. By W. A. Chalfant. Stanford University, Calif.: Stanford University Press, 1944, xi + 129 pp., \$3.

During fifty-five years of service as editor of *The Inyo Register* of Bishop, Calif., W. A. Chalfant saw the California-Nevada border area develop from a pioneer region of prospectors and mining camps to a settled community. At the same time he collected accounts of incidents of pioneer life from those who had witnessed them. The result is this beauti-

fully printed book, a valuable collection of materials for the student of the social history of the west. His account of how Lincoln County built up a preposterous debt on which it had to default is illustrative. The County Commissioners, at the instance of contractors, voided let contracts and allowed the courthouse to be finished by piecework. In the final reckoning, rude stone steps cost several hundred dollars each, waterclosets \$8,000, and other details in proportion. Peculiar financing followed, which cost more money, so that in the end the courthouse cost \$1,000,000 for what was to have been a \$26,000 structure, some \$950,000 going for waste, interest and plunder.

Bonanza Railroads

Bonanza Railroads. By Gilbert H. Kneiss. Stanford University, Calif.: Stanford University Press, 1941, xvi + 148 pp., index, \$3.

Mr. Kneiss, who was technical director of "Railroads on Parade" at the New York World's Fair and of the railway "Cavalcade" at the last San Francisco Fair, and has been active in the Railway and Locomotive Historical Society, has studied the careers of five small California and Nevada railroads. He describes them in colorful and human accounts in this fascinating book. The roads were the Sacramento Valley, the San Francisco and San Jose, the Virginia and Truckee, the Eureka and Palisade Railroads and the Nevada Central Railway. He tells, frequently in valuable anecdote, of the economic conditions that brought them forth, the circumstances under which they were financed and built, the highlights of their business histories and the facts about their various ends, in merger with the great transcontinental system or in liquidation as the mines they were built to serve played out. The building of the railroads has conditioned the economic and financial history of this country. Their influence is known commonly through the stories of the great systems, but it would be better appreciated if the stories of the smaller roads—which, as Mr. Kneiss demonstrates, can be related in more human terms—were also considered.

New Deal Principles

The American Way: Selections from the Public Addresses and Papers of Franklin D. Roosevelt. Edited by Dagobert D. Runes. New York: Philosophical Library, 1944, 71 pp., \$1.50.

This little book is designed to give "a clearer picture of the inner motives, the personal outlook and the social philosophy of the President" through "statements of the underlying principles and the fundamental faith" of Mr. Roosevelt culled from his public writings over a fifteen-year period. While necessarily brief in scope, it is a useful compilation, bringing to hand in ready form important quotations from the American leader. What emerges is a reasonably clear statement of the political philosophy of

modern political democracy; if the book is vague in reference to the modern problems with which economic democracy is concerned, that is because the New Deal and its principal expositor, like the opposing political groups, have not come to grips with the fundamentals of these problems.

Social Tensions

When Peoples Meet. Edited by Alain Locke and Bernhard J. Stern. New York: Progressive Education Association, 1942, xii + 756 pp., \$3.50.

Tensions that arise in society over the divisive influences of racial, national, credal and cultural group loyalties are indeed of supreme importance today and we must be thankful to Locke and Stern for co-ordinating the specialized and authoritative literature of the various pertinent social science disciplines on this topic through a generalized and synthetic frame of reference (culture contact and the growth of civilization; varieties of culture conflicts; the ways of dominant peoples: devices of power; the ways of submerged peoples: tactics of survival and counter-assertion, and the contemporary scene in intercultural relations). Probably the weakest aspect of the book is the failure of the authors to note the "fifth column" techniques and devices used by minorities as well as majorities. One could question also, of course, the selection of certain authorities and the exclusion of others. But, disregarding these two points, the book is certainly the most exhaustive and authoritative gathering of literature available on the subject.

J. S. R.

Books reviewed in these columns may be obtained
at the list price from the Robert Schalkenbach
Foundation, 50 East 69th Street, New York 21

Contributors

- DONALD A. MACLEAN, S.T.L., PH.D. (Catholic U.), (McGill, Harvard, Canadian Royal, Geneva School of Int'l. Studies, post-grad.), associate professor of social and international ethics, Catholic University of America, Washington. Created domestic prelate with style of Right Rev. Msgr. by Pope Pius XII. Member, Academie Diplomatique Internationale. Author, "Christian Industrial Democracy," "A Dynamic World Order," "Permanent Peace Program of Pope Benedict XV," etc.; contributor, *The Catholic Historical Review*, *The International Journal of Ethics*, etc.
- L. G. LIGUTTI, LL.D., domestic prelate, is executive secretary of the National Catholic Rural Life Conference, Des Moines, Ia., founder of the Granger Homesteads, Granger, Ia., editor of *Land and Home*, and co-author of "Rural Roads to Security."
- FRANCIS NEILSON, LITT.D. (Ripon Coll.); last of the English Constitutional Radicals; former member, the British Parliament; author, "The Old Freedom," "The Eleventh Commandment," "Control from the Top," "Man at the Crossroads," "Sociocratic Escapades," "How Diplomats Make War," "The Tragedy of Europe," etc. Founder and editor, the old *Freeman*, etc.
- ALBERT T. LAUTERBACH, DR.RER.POL. (Vienna, '25), member, social science faculty, Sarah Lawrence College; research worker, Carnegie Endowment for International Peace. Formerly, staff, Escompte-Gesellschaft, Vienna; correspondent, *The Financial News*, London, and *Reynolds News*, London; assistant professor of economics, U. of Denver; member, economics dept., Brooklyn Coll.; research member, Institute for Advanced Study; research associate, Institute for Social Research, Columbia. Author, "Economics in Uniform," *Der Kampf gegen die Krise*; contributor to professional journals.
- GLENN E. HOOVER, PH.D., professor of economics and chairman of the department of economics and sociology, Mills College. Author, *La Stabilisation du Franc*, etc. Past president, Pacific Sociological Society; past vice president, Pacific Coast Economic Association. Contributor to professional journals, etc.
- FRANZ OPPENHEIMER, DR.MED., DR.PHIL. (1864-1943), emeritus professor of sociology, University of Frankfurt-a.m.; formerly, professor of economics, University of Berlin. Author, "The State," "System of Sociology," *Grundriss der theoretischen Oekonomik*, "Wages and Trades Unions," "Communism and the World Crisis," "A Post-Mortem on Cambridge Economics," etc.
- FRANCIS H. HERRICK, PH.D., professor of modern European history and director of graduate study, Mills College, Oakland, Calif.; former Rhodes scholar at Oxford University. Author, articles and reviews on British history in historical journals.
- ELIZABETH E. HOYT, PH.D., professor of economics, Iowa State College; author, "Primitive Trade," "The Consumption of Wealth," "Consumption in Our Society," etc.

HARRY GUNNISON BROWN, PH.D., L.H.D., professor of economics, University of Missouri, Columbia, Mo. Author, "Basic Principles of Economics," "Economic Science and the Common Welfare," "The Taxation of Unearned Incomes," "The Economics of Taxation," "Principles of Commerce," "International Trade and Exchange," "The Economic Basis of Tax Reform," etc. Contributor, professional journals, etc.

JAMES FEIBLEMAN, writer and lecturer of New Orleans, La., is the author of "Positive Democracy," "In Praise of Comedy," etc.

GEORGE C. DUNHAM, M.D. (Oregon, '14), Dr.P.H. (Johns Hopkins), Dr.P.H. (London School of Tropical Medicine), Brigadier General, U.S.A.; assistant co-ordinator and director, division of health and sanitation, Office of the Co-ordinator of Inter-American Affairs, Washington. Formerly, commanding officer of army hospitals; chief of the division of preventive medicine, Office of the Surgeon General, U.S.A.; director of the department of preventive medicine, Medical Field Service School; advisor on public health, Governor General of the Philippine Islands; director of the Army Medical School. Author, "Military Preventive Medicine"; contributor to medical journals.

ANNA GEORGE DE MILLE, president of the Board of Trustees, Henry George School of Social Science, New York, and director of the Robert Schalkenbach Foundation, New York, is the sole surviving child of Henry George. Editor, "Progress and Poverty, Abridged."

HAROLD S. BUTTENHEIM, editor of *The American City*, New York, is president of the Citizens Housing Council, New York.

V. G. PETERSON is executive secretary of the Robert Schalkenbach Foundation, New York.

PAUL UCKER, DR. OECONOMIAE PUBLICAE (Zurich), credit department, Wells Fargo Bank & Union Trust Company, San Francisco; editor and business manager, *The Swiss Journal*, San Francisco. Formerly, special correspondent in the United States, *Volksrecht*, Zurich; research economist for Swiss business organizations; contributor, Swiss newspapers and German economic periodicals. Contributor, *American Economic Review*, etc.

JOSEPH S. ROUCEK, PH.D. (N. Y. U.), is professor and chairman of the department of political science and sociology, Hofstra College, Hempstead, N. Y.

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